The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan Prepares for Intervention in Fukien Province

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The China Weekly REVIEW

Formerly Millard's Review

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CHIANG'S MOST SERIOUS CRISIS—CAN HE WEATHER IT?

THAT Gen. Chiang Kai-shek is the most skillful political-military strategist that China has produced since the the 1911 revolution is proved by the fact that he has, with the exception of a few brief periods, managed to maintain control of affairs at Nanking for six years. No other political or military leader has approached that record in twenty-two years of stormy domestic and international politics that China has passed through since she kicked out the Manchus. But the situation today is admittedly more serious than any of Gen. Chiang's previous crises, for he and his associates at Nanking are now faced by a rebellion which in one form or another embraces most of the provinces south of the Yangtsze. Comparative peace exists in north China but it's an unnatural situation depending on the whims of Japanese warlords who have no love for Gen. Chiang, but would like to use him. As a matter of fact Gen. Chiang's recent loss of political prestige has resulted largely from his attempt to placate the Japanese militarists and secondarily from his listening too closely to the advice of certain Chinese bankers and businessmen in Shanghai, many of whom have been the tools of Japanese intrigue. Certain highly placed foreigners, whose motives are not altogether clear, also have had a hand in the mis-advising of Gen. Chiang. Whether it is now too late to rectify the situation is impossible to say, but a clear-cut statement by Gen. Chiang on the Japanese issue would certainly help, particularly in view of Japan's obvious preparations to intervene in Fukien province. Nothing has done more to injure Gen. Chiang's political reputation than recent Japanese statements that they would be willing to help him in opposing his political enemies. These Japanese offers have provided Gen. Chiang's enemies with their most deadly ammunition. Therefore a definite unequivocal declaration of policy on the Japanese issue would help tremendously. Certainly it could not make the situation any worse.

The weak spot in Gen. Chiang's opposition is the lack of a unified program. They are united on only two things apparently, opposition to Gen. Chiang and the Japanese. Should Gen. Chiang be ousted who or what would take his place? Should the Kuomintang Party be overthrown, what would succeed it—Communists,

Social Democrats, or what-not? The answer to these questions apparently leads back to 1927 when there was in existence a more or less unified policy on fundamental domestic and foreign issues. Since the high point of the Nationalist revolution in 1927, Nanking policy has become more and more wishy-washy on everything. Wang Ching-wei, head of the Executive Yuan, admitted this in his recent declaration (*People's Tribune* Dec. 1), when he said, "Due to a number of reasons China has fallen behind in political, economic, military and cultural respects." What is the matter with China? Surely the Chinese people are not willing to admit they are inferior to other peoples and races who have gone through revolutionary travail!

As the situation stands today there are four more or less clearly defined groups, the Communists, the 19th Route Army's Social Democrats, Canton and Nanking. United on one patriotic program devoted to the salvation of China, domestically and internationally, they would prove an unbeatable force in world affairs, but a continuance of the present situation can mean but one thing, the break-up of the country and a substitution of present near-sovereignty for colonial dependency. China's enemies are standing around impatiently waiting for the the corpse to become cold in order start the process of dismemberment, while China's friends are helpless to assist because China's leaders are doing little or nothing to help themselves. The rest of the world is rapidly getting its affairs arranged in order to put an effective curb on the Japanese peace disturbers, but they can do nothing if China's leaders persist in condoning the Japanese crime and becoming a partner to it. There's no reason why China should not succeed to the position in world affairs heretofore held by Japan because the Japanese have forfeited their claims to leadership.

Now there is talk on all sides of resuming domestic warfare, wasting precious bullets and air-bombs which should be reserved for the foreign invader. A resumption of civil-war will merely speed up the complete collapse of the nation, hence there should be someone with sufficient vision and patriotism somewhere to sense the situation and point the way to a better method of adjusting the present crisis.

WOODHEAD'S NEW VENTURE FAVORS SINO-JAPANESE "RAPPROCHEMENT"

H. G. W. WOODHEAD'S new journalistic venture, *Oriental Affairs*, contains a foreword carefully explaining that the editor is British and in consequence his views will be those of a Brition, but we doubt whether Britions generally in the Far East or in England will unanimously approve of many of the views expressed in the initial issue favoring Sino-Japanese rapprochement. That his views will appeal to the Tory group which apparently favors turning China over to the Japanese lock stock and barrel, goes without saying. But as suggested there is another side to the story, by which we mean the views of liberal-minded Britons, not to mention an overwhelming majority of Americans and the Chinese, who will not be in agreement with some of his editorial suggestions. Under the heading, "Sino-Japanese Relations—Toward a Rapprochement," Mr. Woodhead explains that the Chinese political situation has been dominated for the past month by the question of Sino-Japanese relations and after referring to the recent resignation of T. V. Soong and the visit of Yotaro Sugimura to China, he said,

> "The Japanese apparently regard any attempt at opening direct and formal negotiations with the Nanking Government as premature. But they are unquestionably negotiating secretly and on a friendly footing with the Chinese leaders who really matter at the moment: Huang Fu in the north, Wang Ching-wei and Gen. Chiang Kai-shek in mid-China, and Gen. Chen Chi-tang in the south. And they are making far more headway than would otherwise be possible by securing individual support of the rapprochement policy."

Referring to the Manchurian situation as an obstacle to Sino-Japanese rapprochement, Mr. Woodhead admits that much anti-Japanese feeling still exists but makes the statement that the more responsible Chinese leaders "have apparently come to the conclusion that an attitude of continuous intransigence....is not only futile but a serious menace to the future of the nation." He then declares,

> "That now, or in the near future any arrangement will be made that can be construed as formal recognition of the independence of Manchukuo, is extremely improbable. But short of this China's present leaders would undoubtedly be ready to go to very great lengths to secure a *modus vivendi* and more cordial relations with the Japanese. They have been forced to recognize that Manchuria has gone, until such time—if ever—as the Japanese can be expelled by force from that territory, and they can not be ignorant of the fact that amazing material progress is being made in the former 'Dependency,' under Japanese supervision. They must also realize that retaliatory action in regard to mails, Customs, etc. is calculated to harm Chinese more than Manchukuo interests."

It requires no elaboration on our part to enable discerning readers to understand the purport of this argument: Manchuria is lost, make the best of the situation (secretly if not openly), go ahead and recognize Manchukuo because non-recognition is harming the Chinese more than the Japanese, Mr. Woodhead then concludes with the declaration that an overwhelming majority of foreigners in China would be relieved to see a Sino-Japanese rapprochement "because the continuous hostility between the two peoples is a source of serious embarassment to them...many of whom have business and social relations with both nationalities." Which latter statement makes us feel sorry for Mr. Woodhead's predicament!

But there is considerable more pointing to Mr. Woodhead's trend of thought on Sino-Japanese issues. In reference to local Shanghai problems, Factory Inspection and the Outside Road Issue, both of which intimately concern Sino-Japanese issues, he warns the local controllers of the International Settlement, particularly the British, that continued opposition to Japanese demands for increased representation on the Council and Police Department, might result in complete Japanese control in place of present British control. Referring particularly to the Chinese demands on the factory inspection issue, which also chiefly concerns the Japanese cotton

mills, he declared, "The Chinese are on very weak ground in persisting in their claims, for no-one yet knows what provision of the Factory Law would be regarded as being in force if their own inspectors were permitted to function."

Turning to the opium question and the American delegate, Stuart J. Fuller's recent denunciation of the Manchukuo opium monopoly at Geneva, Mr. Woodhead explained there was no secret about Japan's intentions in that regard because the Manchukuo prime minister had explained everything about the monopoly to him (Mr. Woodhead) in a personal interview at Changchun a year ago. Then in the face of the exposure at Geneva that Japanese military airplanes had scattered leaflets over the Manchurian countryside urging the people to purchase and smoke opium from the official monopoly shops, Woodhead declares,

> "Until the Manchukuo Monopoly has been tried out it is unwise to condemn it, lock stock and barrel. The charge that it is intended to 'extend opium-smoking' remains to be proved....If one takes a long view one can hardly suppose—unless one believes that the Japanese intend to emigrate in millions to Manchukuo—that they will be parties to debauching the population of that State, on whose energies and industry its ultimate prosperity must depend."

Finally we come to Mr. Woodhead's discussion of "Conditions in Manchukuo," which is signed by "A Traveler," who otherwise remains anonymous, but who explains in glowing terms the progress which Japan is making in that sphere. Here is the opening sentence, "Whatever opinions prevail as to the rights and wrongs of the Sino-Japanese conflict, a recent survey of surface conditions in Manchukuo indicates in no uncertain terms that appreciable progress is being made towards the realization of some of the Government's aims." What these aims are, Mr. Woodhead does not explain, whether outright annexation or war with Russia, but he states "today one travels over the main line in comparative safety and comfort, free from the incubus of attack (by bandits)." And this in the face of the report last week of the derailing of the international express on the Chinese-Eastern line near Harbin resulting in numerous casualties and destruction of rolling stock. But there has been currency reform and taxation has not been overlooked. Air-lines have been established and there has been railway construction, states Woodhead without explaining that both have as their ultimate object not the improvement of conditions for the native population but the strengthening of Japanese military control and ultimately an international war. In his last paragraph on this subject he said that the ultimate acid test of Japan's sincerity will be in the maintenance of the Open Door and equality of opportunity, but neglected again to state that the Japanese monoplization of practically all resources and industrial development even in the past two years has made it next to impossible for non-Japanese to function in the territory, proof of which statement is provided in the closing down of some of the most important British firms which previously functioned in the area.

We notice that among the thirty advertisements of local firms in the initial issue of Mr. Woodhead's *Oriental Affairs* there are notices of three leading Japanese concerns, the Yokohama Specie Bank, Mitsui Bussan Kaisha and the Japanese Cotton Mill-Owners Association. This is of particular interest because the Japanese have an iron-clad rule, rigorously enforced, that no Japanese firm is permitted to advertise in any publication which does not favor Japanese policy editorially. We therefore wouldn't be surprised to see the number of Japanese advertisements greatly increased in future issues of Mr. Woodhead's latest journalistic effort.

Japanese Claim Johnson, Bogomolov Promoting Triple Sino-Russian-American Alliance

THE trip of the American Minister, Nelson T. Johnson, on an inspection tour of south China ports, including Foochow, Amoy, Swatow and Canton, plus several recent trips of the Soviet Ambassador, Dmitri Vassilievitch Bogomolov, to Nanking has provided the Japanese newspapers with a new source of worry regarding Japan's position in Far Eastern affairs. These recent trips of the American Minister and the Soviet Ambassador, carefully recorded in the Japanese news reports, have only one object and that is the promotion of a Sino-Russian-American alliance against Japan. The Nanking correspondent of the *Osaka Mainichi* wired his paper on Nov. 22 to the effect that the both Johnson and Bogomolov had been in Nanking interviewing Chinese officialdom. As for the American Minister, he allegedly had urged China to cooperate with the United States against Japan, while Mr. Bogomolov allegedly proposed the negotiation of a non-aggressoin pact between China and Russia together with a secret understanding that Russia would refrain from propagating communism in China if China would agree to give Russia certain concessions in Sinkiang province. Together the activities of these two foreign diplomats, in the opinion of the Japanese correspondent, can mean but one thing, "closer cooperation among America, Soviet Russia and China against Japan." As a result of these alleged moves the so-called pro-American group in the Nanking Government has been strengthened and allegedly the Wang Ching-wei-Huang Fu faction which favored Sino-Japanese rapprochement has been weakened. The Japanese correspondent concluded his dispatch by charging that the Nanking Government is taking advantage of its strengthened diplomatic position resulting from the resumption of relations between the United States and the Soviet Union and is taking steps to impose prohibitive dumping duties on ten classifications of Japanese goods. Also it was charged that the anti-Japanese agitators have resumed their bombing of Chinese shops handling Japanese merchandise.

In addition to this article the bulletin issued by the Japanese Military Headquarters at Tientsin

on Nov. 25 declared, "The attention of the whole world is centered upon the future attitude of the United States toward the Far East since the American recognition of the Soviets....according to a certain source in Nanking, the United States even before it recognized Russia, approached the Chinese authorities and proposed to them the strengthening of the relations between America, China and the U. S. S. R.....during the stay of the American Minister in Nanking he is alleged to have told Nanking officials that America's recognition of Russia was only a matter of time.... and if the Nanking Government would accept America's advice, the U. S. Government would give more practical support to China." All of this, in the opinion of the Japanese military spokesman at Tientsin, means that America's recognition of the Soviets is more than a trade alliance and is intimately concerned with Far Eastern politics and a plot to prevent any further activities on the part of Japan in the Far East. The name of T. V. Soong was also involved in the Japanese military report, it being alleged that the American Minister had urged Nanking to reinstate the former Nanking Finance Minister. In this connection the Shanghai correspondent of the *Osaka Asahi* reported (translation from *Japan Chronicle* Nov. 24) that Dr. J. Rajchmann, Chairman of the committee of League Experts, had visited Gen. Chiang kai-shek at Nanchang and had urged upon the Generalissimo the reinstatement of Mr. Soong. This Japanese report alleged that Dr. Rajchman had told Gen. Chiang that the dropping of Mr. Soong involved bad faith toward the League, hence the League would withhold further assistance to China pending the reinstatement of Mr. Soong. As a result of this interview Gen. Chiang was alleged to have sent a telegram to Soong urging him to resume the Finance Ministership—"which action on Gen. Chiang's part is interpreted as indicating that Gen. Chiang may transfer his sympathy from Wang Ching-wei to Mr. Soong, thus placing Wang in an awkard position."

The American Minister, whose trip to South China was responsible for these Japanese journalistic pyrotechnics, returned to Shanghai on last Monday. A report from Canton through *Reuters* service dated Dec. 2 stated that Minister Johnson was deeply impressed by developments which have taken place in the south China metropolis in recent years. In the course of an address delivered at a dinner given by Gen. Chen Chi-tang Mr. Johnson expressed appreciation for the fact that the relations between China and the United States had always been friendly, "particularly with Canton where America first established commercial contacts shortly following America's independence in 1776....America had turned to China for markets because none were available in Europe at that time and in consequence the American 'clipper' ships had returned home from Canton laden with merchandise..Since that time the trade between the two countries had steadily grown in importance and with it the friendship of the two peoples."

Admiral F. B. Upham, Commander of the U. S. Asiatic Fleet, who accompanied the American Minister on the tour of south China ports was quoted in the *Reuter* report as declaring that the American people "had always felt that a stable and unified Chinese nation was the surest guarantee of peace in the Orient and Americans generally rejoiced at the commendable evidences on all sides of China's progress and development toward a truly representative government." The Admiral paid a special compliment to Canton's political progressiveness "birthplace of that zealous sponsor of Chinese republicanism, the late Dr. Sun Yat-sen, and also referred to the fact that Canton was the birthplace of most of the Chinese who had gone to the United States in early days.

That the resumption of relations between America and Russia has caused many of China's leaders to again give serious thought to the so-called "policy of drift toward Japan" was indicated in an article by Dr. Hu Shih, dean of the School of Arts in the Peiping National University, which was published in the *Independent Review*. Dr. Hu urged that the Nanking Government should not continue its present policy of drift in dealing with the Sino-Japanese situation. "This policy is liable to land China in disaster for the ambitions of the Japanese militarists know no bounds and they would not be satisfied even if China should become the protectorate of Japan." Dr. Hu then reviewed China's foreign relations over the last six or seven years and declared that China's position of isolation which existed after the Mukden incident of 1931 was rectified largely due to the activities of T. V. Soong and Dr. Sao-ke Alfred Sze who had succeeded in enlisting the interest of the United States and the League of Nations in the Manchurian situation. The fact that the Sino-Japanese controversy had become a world issue was due partially to the violence of the Japanese militarists, but more largely to the valiant fight which T. V. Soong, Lo Wen-kan, Alfred Sze, Wellington Koo, W. W. Yen and Quo Tai-chi had waged in China's behalf. He said that it was too late for China to develop an army and navy sufficiently strong to cope with Japan, "hence China must depend upon an international organization sufficiently strong as to prevent any great power from committing aggression on a weak country." One of China's basic principles in foreign diplomacy, according to Dr. Hu Shih, should be cooperation with the League, "for with in the limits of this principle we can discuss various practical questions with Japan, but we must recognize that militarist Japan is no friend of ourse and so long as the militarists remain in the saddle in Japan we cannot hope for any understanding with that country." With reference to the recent Soviet-American rapprochement, Dr. Hu declared that it had removed the only weak spot in the international situation which the Japanese militarists had regarded as Japan's "opportunity of a thousand years," and while it was too early to say that the danger of an international conflict in the Pacific had been obviated, the Russo-American rapprochement "had brought three important groups together, the League, the United States and Soviet Russia."

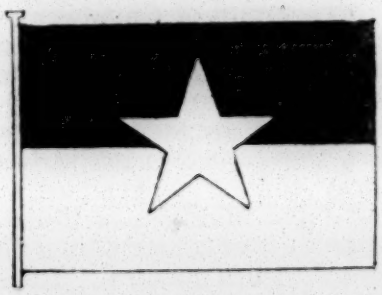
The *Chung Hua Jih Pao* (*Kuomin* translation, Dec. 2) expressed the opinion that the financial and industrial decline in Japan, a situation now very much in evidence in connection with the recent budget debates, would probably result in halting the growth of Japanese militarism. The paper declared, "Since the outbreak

of the Mukden incident a number of changes in the international situation have occurred which may check the growth of Japanese militarism. The re-establishment of normal relations between the United States and Russia and steps which are being taken everywhere to check the dumping of Japanese goods on the international market mean that Japan's diplomatic and economic isolation is in process of accomplishment. International obstacles to her trade are bound to affect her domestic industries and this in turn will adversely affect the financial position of the Japanese Government, the stringency already being evidenced in the conflict between the War and Navy Ministries over the budget estimates for the coming year. While Japan gained something from her wars with China and Imperial Russia and her aggressions upon China in the past 20 years have met with some degree of success, the present adventure may not turn out so successfully. Her present activities have antagonized both America and Russia and her withdrawal from the league antagonized the entire world. Now Japan is in serious complications with Great Britain over naval strength and world markets. Should the world Powers continue to take measures against the dumping of Japanese goods the financial stringency in Japan is bound to check the growth of Japanese militarism.

The *Sin Wan Pao*, in comment on the recent visit of Yotaro Sugimura, former Japanese delegate to Geneva, who was sent to China for the purpose of combatting League influence, said that the main trouble in Japan is the suppression of Chinese views in the Japanese newspapers. Japan's occupation of Manchuria has created an unbridgable gulf in the friendly relations of China and Japan. Chinese organizations refuse to have anything to do with the Japanese and the sale of Japanese goods on the Chinese market is regarded as a crime. Merchants who deal in Japanese merchandise regard themselves as criminals and always deny it when asked about the merchandise they handle. The suppression of these facts from publication in Japan but further deepens the hatred and misunderstanding between the two peoples.

Japan Prepares for Intervention in Fukien Provinces

THERE is unmistakable evidence that Japan is making active preparations for military intervention in Fukien province in consequence of recent political developments in that area which are regarded as detrimental to Japanese interests. To quote from a recent editorial in the *Chugai Shogyo*, "while Japan is not greatly enamoured of the Nanking Government, she cannot afford to let it be overwhelmed by a Government professing Communistic principles".



Flag of Fukien "People's Republic." The stripe at the top is red while the one at the bottom is blue. The star is yellow, the five points standing for the five classes, farmers, soldiers, laborers, students and merchants.

Japan's preparations for a strong policy toward South China which included numberous recent conferences of Japanese consular, naval and espionage officials held in Formosa, immediately became more concrete following the creation of an independent regime in Fukien province. According to latest reports from Tokyo through the official *Rengo* service, Tokyo has now given Japanese officials on the spot practically full power to act in any emergency which may arise. Yotaro Sugimura, former Japanese deletate at Geneva, who was sent to China on an inspection tour and has just returned to Tokyo from a visit to Fukien province and Canton, issued a pessimistic statement regarding conditions in South China as they affect Japanese interests, and recommended closer attention on the part of Japan as to what is taking place in that area.

Japan already has sent several warships including air-craft carriers to Foochow and Amoy and already there has been one "incident" sufficient to provide justification for intervention. This was the alleged action of troops of the 19th Route Army on November 26 in firing several shots at a Japanese launch carrying several members of the Japanese consular staff and a Japanese officer named Ando who who has charge of the Japanese consular police there. No one was injured by the shots but Consul-General Moriya immediately filed a strong portest with the Foochow authorities. The Japanese dispatch in the *Osaka Mainichi* referred to Chinese attempts to search Japanese steamers entering the port and concluded with the statement which usually is significant of Japan's future intentions, "The atmosphere is tense and the incident may have serious results, hence the Japanese authorities are watching the stuation carefully".

Starting out with large headlines in the Japanese newspaper reading, "Taiwan" (Formosa) Is in Danger," the Japanese have proceeded in characteristic manner to build up the case for armed intervention in Fukien province, which if carried out may have repercussions somewhat similar to what has occurred in North China and Manchuria in the past two years. Also, the Japanese authorities are taking advantage of Nanking's embarassment over the Fukien and South China crisis to press the National Government for more concessions, presumably in exchange for Japanese assistance in suppressing the reds. The following appeared in a *Rengo* dispatch from Tokyo on December 2:

> "What at present threatens the existence of China is not Japan but the activities of the Chinese Communist Party and the Red troops. Being well aware of this deplorable situation, the Nanking Government has changed its attitude and is now making the suppression of the anti-Japanese movement and the Communist army its sole objective. It is now high time that the Nanking Government should endeavor to ameliorate relations with Japan.

> But we wonder whether the National Government has courage and foresight sufficient to make this new turn in her relations with Japan. . . . Fortunately, however, in north China comparatively peaceful conditions are being maintained through the untiring efforts of Generals Huang Fu, Ho Ying-chin and other prominent leaders and it is only through north China that China's good relations with Japan can be promoted."

This declaration, quoted from the *Tokyo Asahi*, appeared at about the time Akira Ariyoshi, Japanese Minister, visited Nanking and demanded that the National Government take steps to protect Japanese nationals and interests in Fukien and the Japanese Consul-General at Nanking visited the Chinese War Office and lodged a strong protest over the publication in the Chinese newspapers of anti-Japanese articles, particularly some allegations that the Japanese had a hand in the revolt of General Chen Ming-shu. A *Nippon-Dempo* message sent from Nanking on November 30 claimed that General Tsai Ting-kai, commander of the 19th Route Army had already agreed to evacuate Amoy and create a so-called "neutral" zone about that city in deference to Japanese demand.

A list of the Japanese reasons, real and fancied, which the Nipponese military leaders have built up in their minds and the minds of the Japanese people favorable to intervention would fill several coloumns of *The Review*. First, is the matter of Fukien's location, being only 12-hours sailing distance from the Japanese colony of Formosa. A hostile Chinese airplane could bridge the narrow Formosan strait, ranging from 100 to 150 miles in width, in a couple of hours. Then there is the vital matter of the treaties, which the Fukien People's Government has designated as "unequal" and which it is determined to abrogate. Following the Sino-Japanese war (1894-1895) when China was compelled to cede Formosa and the Pescadores Islands to Japan, the Japanese also exacted a condition that China could not cede any territory or grant a land-lease in Fukien province to any other country. After the downfall of the Manchu dynasty and the creation of the Republic, Japan renewed this treaty as one of the clauses in the notorious Twenty-One Demands of 1915. Under this compulsion China was forced to agree not to permit any other nation to construct a shipyard, colliery, military base or any other military structure along the coast of Fukien province. China also agreed further not to establish any similar facilities along the Fukien coast with funds borrowed from foreign sources. In view of this treaty situation the *Osaka Mainichi* declared on Novembr 16, "Japan is therefore perfectly justified to take necessary measures if these pacts are abrogated by the Fukien Republic, hence Japan is carefully watching the attitude of the Fukien Government".

Next among the potent or "real" reasons for intervention is the fact that most Chinese residents of Formosa, designated as "Formosans" by the Japanese, are natives of Fukien province and in addition to these the Japanese claim there are 10,000 Formosans residing in Amoy and some 1,500 more in Foochow. One of the high Japanese consular officials recently admitted that these Formosans residing in Fukien "are a rascally lot and very troublesome," hence it doesn't require much imagination to picture some of these "rascally and troublesome" Formosans getting into trouble with the 19th Route Army and thus providing an "incident" requiring the intervention of Japanese troops. The total Japanese investment in Fukien province is not known but is not thought to be large, but regardless of its extent any move on the part of the new "People's Republic" to nationalize some of this property would cause instant trouble. Even in peaceful times the Chinese authorities have had much trouble with the Formosans, many of whom allegedly are engaged in the smuggling of opium and narcotics into Fukien from the Japanese island of Formosa where an official Japanese opium monopoly is in operation.

For many months the Japanese military authorities have been inspiring reports in the Japanese newspapers alleging that Americans have been seeking concessions in Fukien province the said concessions ranging all the way from a naval base on an island off the coast to military and civilian airdromes. Japanese suspicions regarding the airdromes have been aroused due to the extension of the China National Aviation Corporation's airline from Shanghai to Canton through the ports of Foochow and Amoy, necessitating the installation of landing fields and repair facilities. The China National Aviation Corporation contains a minority American stock interest held by Pan-American Airways, hence the Japanese military authorities profess to see in this a sinister American scheme to establish air-bases on the Fukien coast. Aside from these matters the Fukien authorities recently were said to have granted a concession to a group of Chinese and Filipinos to construct a short railway from Changchow (opposite Amoy) to Lungyen in the interior for the purpose of tapping a coal-mining district. Aside from Japan's desire to control the coal mines, the Japanese militarists allege that this railway concession granted to Chinese and Fillipinos from Manila constitutes a violation of the Japanese treaty pertaining to non-cession of interests to third parties. Then there recently has been the charge that American military and aviation instructors have been employed by the 19th Route Army and that Americans as well as Britons and other Europeans have been active in selling airplanes and war munitions to both the 19th Route Army and the Cantonese. The *Kobe Shimbun* on November 27 charged that when the flagship of the U.S. Asiatic Squadron, the *Augusta*, touched at Amoy on its recent trip from Shanghai to Hongkong, a dozen American military instructors left the ship and joined the 19th Route Army. Aside from the extension of the China National Aviation line, a civilian air-mail and passenger service, from Shanghai to Canton, touching at Amoy and Foochow, there isn't a particle of truth in any of the other Japanese allegations, but these reports have served a double purpose in Japan: they have frightened the Japanese people into supporting the Japanese Army's and Navy's exorbitant appropriations in the budget and have paved the way

fur ultimate intervention on the part of the Japanese military authorities into affairs in Fukien province.

Apparently in an effort to head off a Japanese military intervention General Chen Ming-shu, head of the Executive Commission of the "People's Government" informed the correspondent of the Osaka *Mainichi* (December 2) that the 19th Route Army is not anti-Japanese, "but is determined to fight General Chiang Kai-shek to the last.... General Chiang is an enemy of the people and unless his oppression is removed, China cannot be saved". General Chen then declared that while certain differences as to policy exist between Fukien, Canton and Kwangsi they are united in the anti-Chiang movement. He denied that Fukien or the 19th Route Army are communistic but said that Fukien had arranged to cooperate with the Kiangsi Communists in opposing the Nanking Government as at present constituted. With reference to policies toward foreign nations, General Chen declared that the new government wanted to defend China against the economic invasion of the Powers and while there might be clashes with the Powers on this issue the People's Government would follow a peaceful policy. With particular reference to the Japanese, General Chen declared, "We are afraid the Japanese have some misunderstandings about the attitude of the 19th Route Army because this army fought the Japanese at Shanghai, but the 19th Route forces are not anti-Japanese.... what we regret is that Japan is oppressing China, but despite this we will not start any movement to oppose Japan".

But above all else in Japan's professed anxieties over the Fukien situation is the Communistic element. For several weeks the Japanese diplomatic and naval authorities have been feeling out the other Powers about combined naval action against the Chinese reds. These feelers have been put out directly and also indirectly through the medium of other Powers, particularly the British, the chief object being to sound out the attitude of the Americans on the matter of cooperation. While there has been no official statement from American quarters it has been reported that the United States Government has no intention whatever of interfering in the Fukien situation where American interests are largely limited to missionary enterprise. Should the situation become so serious as to menace the lives of the missionaries the American Government in all probability would order their temporary evacuation, but under no possible circumstances would the American Navy cooperate with the Japanese in any anti-red adventure in Fukien province or elsewhere in the Yangtsze Valley. One American official in discussing this issue was quoted as declaring that America would no more think of intervening to oppose Chinese Communists than she would think of using the Navy to support the Methodists or Baptists in prosecuting their missionary activities.

But the Japanese are worried about the growth of Chinese Communism, probably sincerely so, not so much because the Communists are anti-Japanese, but because the Japanese themselves have a most serious communist situation in their own country which is greatly aggravated by the growth of Chinese communism. For many weeks there have been reports in circulation that the Japanese military authorities have offered General Chiang Kai-shek practically unlimited financial and munitions support in the prosecution of the anti-red campaign. It has been this matter of suppressing Communism in China that has occupied major space in the Japanese news reports as well as editorial comment in the Japanese newspapers. The *Osaka Mainichi*, organ of the important Osaka industrialists on November 30, after discussing the "outrageous attack of the 19th Route Army upon a Japanese launch containing consular officials," said that the longevity of the Fukien independence movement depends upon its connection with the Kiangsi Communists and the five provinces of southwestern China. Dr. Yotaro Sugimura, former Japanese delegate to the League, who was sent to China several weeks ago for the announced purpose of combatting China's employment of League technical advisers, declared upon his return to Japan that "powerful forces of disintegration are at work in China.... the traditional sovereignty of the nation extending back through 4,000 years has been well nigh uprooted by the people's doctrines: Communism and other new throughts and ideas.... China is headed down the path to ruin and destruction." Dr. Sugimura admitted however, that the Chinese people "remain diligent and as a nation will not be destroyed.... what is on the road to ruin are the government and the politicians." He then made some significant statements about General Chiang Kai-shek and the anti-red campaign,

> "Wealthy people throughout China are now taking refuge in Shanghai to escape outrages in the interior, and the amount of silver coin and bullion that pours into Shanghai as a resut is estimated at $10,000,000 a month. General Chiang Kai-shek is attempting to use this money through loans, and he is pouring it into the war he is conducting against the Communist armies.
>
> "If the present situation is permitted to develop, China's rural community will soon be deprived of all its property by the bandits, and the wealthy class will be deprived of all its property by Chiang Kai-shek. The eventual result will be destruction."

In concluding his interview Sugimura said that he had returned from South China by way of Formosa where he had conferred with Governor Kenzo Nakagawa and the commender of the military forces, General Matsui regarding policies which he considered Japan should adopt in relation to South China and the South Seas. He declared, "Japan has been devoting its attention too exclusively to the north and in future should pay more attention to developments in the south.... after all Japan's lifeline does not include Manchukuo alone." Dr. Sugimura also made an interesting statement regarding the contradictory views of the Chinese and Japanese on "Pan-Asianism." He said there was a fundamental difference in Chinese and Japanese views on this question, the Chinese interpreting Japan's doctrine as a demand for Japanese control of all Asia, while the Chinese interpreted Pan-Asianism as a cooperative movement of Asiatic nations for mutural improvement.

To revert again to the issue of Communism the

Osaka Mainichi (November 23) in the course of a discussion of this phase declared,

> Although the independence of Fukien Province is a provincial question, it may be regarded, in its complete separation from the control of central authority, as a forerunner of the disintegration of China. From a domestic point of view, it will indicate further extension of the Communistic influence and a shadow in the path of the political power of General Chiang Kai-shek. From an external point of view it will signify a turn for the worse in the Chinese diplomacy toward Japan. In these respects, the incident at Foochow bears important significance.
>
> The independence of Fukien, thus, in being the joint work of anti-Chiang factions and the leftish influence, is much complicated. Judging by the cautious manners of General Chen Chi-tang in Canton and Li Sung-jen of Kwangsi, the united independence of five provinces of the southwest, as anticipated at first, cannot be expected. It is also doubtful, recalling the joint work of the Nationalists and Communists, how long this "patched together" unity will last.
>
> But the appearance of this "pink color" Government in Foochow will prove as much a blow as the appearance of a new enemy from behind for General Chiang Kai-shek who is already occupied in fighting communist troops elsewhere. Even though the situation may not develop so far as to the downfall of the Chiang regime, it has certainly seriously affected the prestige of his power and reduced the extent of the influence of Nanking to the extreme.
>
> Looking at the division of Communistic influence, the Red troops in Kiangsu, in spite of repeated attacks by large numbers of central troops, are daily increasing their strength, those in Szechuan have shown remarkable activity of late, Sinkiang is practically separated from China and under the control of Russia, while the independence of Mongolia proceeds in defiance of Nanking.
>
> It is noteworthy that the Fukien Government, in spite of its being controlled by leftist radicals, does not profess any anti-Japanism in its diplomatic policy. This, however, is due to the fact that even these pro-Russian radicals realize the disadvantageous result that is bound to come if they raise the cry of anti-Japanism now. It is not difficult to suppose that in some future time they will show their teeth against this country. As stated above, behind this independence movement works the influence of former Finance Minister Sung who is pro-European and anti-Japan, and the pro-Japanese policy of Mr. Wang Chao-ming and Mr. Huang Fu will feel further oppression by the appearance of these anti-Chiang factors. The situation then will stimulate the activity of the factions looking for an opportunity of coming closer to America and Russia.
>
> We insist on regarding the Fukien incident as purely a domestic affair of China and refraining from interference, but we cannot pass lightly over the fact that in Fukien, only 12 hours' distance across Taiwan Straits, the left wing power has appeared. We have our right stipulated in the Non-Secession Treaty of Fukien which we concluded with China after the Sino-Japanese War.
>
> At present, there are no issues that involve this right, but along the coast of Fukien there resides a large number of our Taiwanese people. Should any untoward incident occur that infringes upon our rights, we may be forced to resort to decisive measures. From these considerations, we are duty bound to observe the development of domestic and diplomatic affairs that may hereafter arise around the independence of Fukien.

In a final summary of Japanese opinion on this issue, Dr. S. Washio, special correspondent of the *Japan Advertiser*, American daily in Tokyo said that while Sino-Japanese relations were "quite favorable" a month ago the situation had turned for the worse in recent days, a chief reason for this being the Russo-American rapprochement and a secondary reason being the developments in South China which threatened the positions of two allegedly "pro-Japanese officials" Wang Ching-wei, head of the Nanking Executive Yuan and General Huang Fu, head of the Peiping Political Readjustment Commission. Regarding the Fukien situation he said.

> Behind the present Fukien independence movement we see a line up of the same anti-Chiang Kai-shek influences. Beside there are signs of co-operation with the Communists, which remind us of the days of the Hankow Government in 1927. It is strange that in a movement in which T. V. Soong has been suspected of being involved there should be a Communist note. But politics make strange bed fellows, particularly in China and in the eyes of Chiang Kai-shek's political enemies, Chinese Communism is less of Communism than an anti-Chiang Kai-shek force.

FULL TEXT OF FUKIEN DECLARATION TO THE POWERS

On November 20 the so-called "People's Revolutionary Government" at Foochow handed to the foreign consular authorities, through the medium of Eugene Chen, Minister of Foreign Affairs, the following declaration:

> We have to announce the establishment of the People's Revolutionary Government of the Republic of China, formed under pressure of the nation's demand for a new leadership in the direction and conduct of the struggle for national independence which the ruling clique in Nanking, now in agreement with Japanese Imperialism, has put in imminent jeopardy.
>
> To the Chinese people and to the civilized world at large, the purpose of Japan has been plain for more than two years. What the Manchus did in the 17th century when the title to an Empire could be rooted to conquest and plunder, Japan also plans to compass in China in a world environment politically and economically determined by ideas deriving from the French Revolution and by forces born of the Machine Age.
>
> **China a Part Of World Order**
>
> Chino is not merely a portion of the Far East or a region in "Pan-Asia" but, economically and in certain other respects, she is a massive and integral part of the civilized world of which, for instance, America, Britain, France are also integral parts. And to this same world, China is also bound by great pacts of nations: namely, the Nine-Power Treaty by which America, Britain, France and the other signatories guarantee the independence and integrity of China, including, necessarily, Manchuria and Jehol; the Cevenant of the League of Nations by which Britain, France, Italy and other member-states "undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League;" and the Kellogg-Briand Peace Pact which, because it outlaws war as a solution of international controversies and as an instrument of national policy, requires America, Britain, France, Soviet Russia and the other signatory powers to treat Japan's war operations in Manchuria and Jehol as international crimes and delinquencies and her naval activities in Shanghai as tantamount to piracy on the high seas.
>
> The Chinese people, besides insisting that Chiang Kai-shek, as the real head of the Nanking Government, should base an active diplomacy on the foregoing treaties, have persistently demanded the enforcement of a policy of effective resistance to Japanese aggression on the obvious ground that a nation that does not resist when attacked is not only a fit object of foreign conquest but, by abject non-resistance, it provokes and encourages its own subjugation. But it is well-known that Chiang Kai-shek and his Nanking clique have never complied with this demand of the nation, because cowardice and a purely personal policy inspire in him the fear that real resistance to the Japanese may result in the enfeeblement of the military force which sustain him in power and centre in his hands control of the machinery of the Kuomintang and of the organs or state and government.
>
> **Manchuria and League**
>
> For this reason, Chiang Kai-shek readily accepted, at the beginning of the Japanese invasion,

the advice of T. V. Soong's sundry foreign advisers to the effect that China should rely on the League of Nations to secure a satisfactory settlement of the Manchuria incident. He and they naively believed that the League of Nations could impose on Japan a solution of the question in terms of a Japanese withdrawal to the area of the so-called South Manchuria Railway zone. When Chiang and his hopeful diplomats realized that neither Britain nor France was prepared to fight a covenant-breaking state which Chiang Kai-shek himself was not prepared even to resist (since his armies, at any cost are to be kept intact for internal use), he abandoned China's League policy and personally telegraphed the Chinese delegates at Geneva to refrain from further action under the League Covenant, at the same time instructing the notorious Huang Fu to conclude the Tangku armistice with its secret arrangement for the "invisible" liquidation of the Manchurian question in the sense exacted by Japan.

To complete his new orientation of policy, Chiang Kai-shek has found it necessary to dismiss his brother-in-law, T. V. Soong, and he is now fully committed to a pro-Japanese policy which is destined, unless frustrated, to drag in the whole of China within the orbit of the predatory system which has already strangled Korea and is fast closing its grip on Manchuria and Jehol.

"Slaves" of Japan?

The Chinese people would deserve to be Japanese slaves should they further suffer Chiang Kai-shek and his Government to continue in power and carry out their policy of betrayal and treason against the nation. But it is not China alone that is menaced by Chiang Kai-shek's pro-Japanese policy. The modern system of the nation itself would be endangered, militarily and economically, were the ruling clique in Nanking allowed to surrender the vast material resources and manpower of China to Japanese domination and control. This is a possibility that is neither fantastic nor remote, since there actually exists a Chinese gang in authority that is prepared, for reasons of a sinister statecraft, to put through such a deal with the Japanese.

In arraigning this pro-Japanese group of Chinese, we must not be understood to belong to the alternative group, the so-called pro-American and League group whose chief aim appears to be the enlistment of American and European assistance to enable it to obtain power and maintain its ascendancy in the government of China. While China has a right to look to America and the other signatory powers of the Nine-Power and of the Peace Pact as well as to the League of Nations to implement their treaty obligations and also to realize the signal menace to their vital interests involved in Chiang Kai-shek's statecraft, we hold that the policy of the pro-American-League group is based on a dangerous doctrine in that it is calculated to found political power in China on foreign intervention or, at any rate, on a non-national foundation. Without impugning American good faith or the motive inspiring American statesmanship regarding China, it is necessary to emphasize that the objective result of the policy of the pro-American League group would be the subjection of China to a system of international control which, it cannot be doubted, would hardly be less obnoxious and hazardous than the implications of Chiang Kai-shek's pro-Japanese policy.

Rival Groups At Work

Opposed to the perious policies of these two rival groups, we affirm that real power in China must rest on a national foundation and that the leadership call upon the foreign powers to refrain from assisting rule in the people's Revolutionary Government, is pro-Chinese. We rely on the broad masses of the nation for support and for the power and means to reconstruct and organize anew the life of the Chinese people on the basis of a nationalism holding fast to the principal of democratic freedom and working, economically and otherwise, within the framework of the co-operative world which modern economic and social forces are creating in spite of certain reactionary attempts to re-establish the doctrine of autocracy in the modern government of nations.

We declare finally that the removal of Chiang Kai-shek from power is not only necessary in the interests of the independence and salvation of China but also in the strategic and economic interests of the world as a whole, including even Japan viewed as a Power whose national existence would be at stake in a world war that must infallibly take place if, with the assistance of Chiang Kai-shek, Japanese imperialism should achieve the entire dominating and control of China's material resources and man-power. And in order to further, on this view, a cause that is international in its range and appeal, we have to call upon the foreign powers to refrain from assisting Chiang Kai-shek's Government at Nanking with any loan or loans, whether in the form of money or goods or arms and ammunition, and to declare that should any such loan or loans be hereafter concluded, the Chinese people and their Revolutionary Government would categorically repudiate the same.—(Seal), People's Revolutionary Government of the Republic of China.

Five Major Victories Against Reds in November

Replying to an inquiry concerning the bandit-suppression campaign in Kiangsi, General Chiang Kai-shek, reported end of last week that the Government troops had scored five major victories over the "Reds" during the month of November. Government forces defeated and inflicted heavy losses on the 1st, 3rd, 5th and 7th "Red" Army Corps at the battles of (1) Hsiaoshih and Tzukichen, eastern Kiangsi; (2) Suwan near Fuchow, eastern Kiangsi; (3) Tengtien, south of Yungfeng, central Kiangsi; (4) Tahsiungkwan, eastern Kiangsi and (5) Shenkang and Tangkow, central Kiangsi. In these battles the Government units captured a large number of bandits at Suwan, Tahsiungkwan, Shenkang and Tangkow. The outlaws were forced to retreat to their lairs at Ningtu and Kwangchang.

A recent Peiping message in the *Shun Pao* said that Marshal Feng Yu-hsiang has decided to send his bodyguards back to Chahar in order to alleviate the suspicions of the public. Marshal Feng in a telegram to the Nanking Government denounced the Fukien organization.

General Chiang Kai-shek, in a recent message to the Kiangsi Provincial Government, enjoined that the 40 districts along the Kan and Fu Rivers be required to hasten the erection of fortifications and ramparts so as to strengthen the defence measures of those cities against the "Reds."

Publicity Corps Teaches Evils of Communism

A publicity corps had been organized by the political training department of the Nanchang headquarters with the Military Affairs Commission, with Ho Chung-han at the head, in order to carry on a publicity movement for the education of farmers in rural districts recently recovered from Communist bandits, and to impress upon them necessity of rooting out Communism in China. The first group of the special publicity corps was sent to Lin-chuen, which was one of the cities capture from the bandits a short which ago.

Chu Hui-ping, Commissioner of Civil affairs for the Kiangsi Provincial Government, is making a tour of inspection to investigate conditions in the recovered districts as well as in some of the provinces which have remained peaceful. Her is also studying the sufferings of the war victims with a view to looking for suitable shelter and protection for them. In one of the temples near Fengcheng he found more than 200 people living tegother under most miserable conditions. Among them were found men of letters belonging to the old-styled school of the Manchu Dynasty, several scholars, and merchants of whom many were said formerly to have belonged to well-to-do families.

Reporting recently on the progress of the bandit-suppression campaign in Szechuan in a telegram to General Chiang Kai-shek, General Liu Haiang, Commander-in-Chief of the Szechuen Bandit-suppression forces, stated that the Division under Lieut.—General Li Wei-ju attached to the 2nd Route Army under General Tien Shun-jao had occupied Tatung Shan (Mountain) and Siaotung Shan (Mountain) and the western bank of the Kialing River. The defeated "Reds" retreated to Chenchiakow and Shwanghochang.

How China's Trade Figures Have Been Affected by the Loss of Manchuria

WHEN Japan robbed China of Manchuria two years ago, the Island Empire inflicted not only great humiliation on the Chinese people, but struck a severe blow at China's export trade and incidental revenue. The extent of this loss is revealed by figures recently published, both by the Manchurian government and the Chinese Maritime Customs. During the past few years beans and bean products had passed silk as China's leading export product, but nearly all of this business originated in Manchuria. Now beans stand out very prominently in Manchukuo's export figures, but play only a minor role in China's trade. As the result largely of the loss of Manchuria, China now imports about double as much as she exports, where as with Manchukuo it is the other way about, Manchukuo exporting about twice as much as it imports. Manchukuo still uses the Haikwan tael in publishing its statistics, but for purposes of comparison the reader will have it almost accurate, if he increases the Haikwan Tael figures by half to convert same into Mexican dollars, in which currency, figures relating to China's trade are quoted later on. Manchukuo's total exports in 1932 amounted to Haikwan Tls. 384,462,178; her exports to Tls. 192,991,000. Soya beans accounted for Tls. 143,859,524, bean oil for Tls. 24,511,577, and bean cake for Tls. 66,311,390, these three bean products accounting for roughly two-thirds of Manchuria's entire export. The three principal products imported into Manchuria were cotton goods, gunny bags and steel and iron goods, their importance being in the order named. Japan took about one-third of Manchuria's exports and supplied a little over half of the imports. America supplied more of Manchuria's imports than any European country, Figures for Manchuria's trade in 1932 (in Haikwan taels) are given in more detail in the following tables:—

Countries	Exports (In Hk. Tls.)	Imports (In Hk. Tls.)
Japan	121,624,486	104,122,632
Chosen	27,129,264	8,211,984
China	108,953,415	35,236,097
U. S. S. R.	21,657,989	4,375,729
Hongkong	3,438,690	5,186,289
British India	1,361,165	11,795,493
Dutch Indies	3,471,753	137,526
Great Britain	7,068,537	4,555,559
France	1,940,713	634,337
Germany	47,401,209	3,698,317
Belgium	966,984	513,029
Netherlands	4,040,457	206,946
Italy	1,389,329	85,355
U. S. A.	3,211,568	11,376,847
Others	30,806,619	2,795,760
Total	384,462,178	192,991,900

Staples Exported

Articles	Values (In Hk. Tls.)
Soya beans	143,859,524
Other beans	7,824,630
Millet	15,100,268
Kaoliang	18,206,351
Maize	3,296,160
Other cereals	4,534,371
Ground nuts	5,407,370
Sesame seed	817,752
Hemp seed	1,687,035
Perilla seed	1,678,241
Salt	4,842,702
Cigarettes	537,631
Bristles	739,265
Leather	880,265
Furs	1,492,097
Bean oil	24,511,557
Shale oil	847,481
Paraffin max	660,826
Ginseng	440,718
Sulphate of ammonia	1,006,179
Wild silk	6,421,359
Cotton yarn	5,258,305
Wool	185,152
Coal	32,604,805
Cement	598,355
Pig iron	9,659,951
Timber	66,311,390
Bean cakes	66,311,390

Staples Imported

Articles	Values (In Hk. Tls.)
Rice, paddy	944,737
Wheat Flour	15,683,513
Tea	1,405,190
Sugar	7,491,379
Cigarettes	1,826,233
Leaf tobacco	2,909,706
Kerosene oil	2,322,269
Benzine oil	1,852,579
Raw cotton	8,358,902
Cotton yarn	6,322,971
Cotton goods	21,008,691
Silk goods	2,268,686
Woollen goods	3,238,186
Gunny bags	13,232,618
Paper	3,826,312
Iron, steel	10,927,319
Machinery, tools	2,996,389
Vehicles, cars	2,692,891
Timber	1,867,169

The Chinese Maritime Customs started several years ago to compile very complete, and also very promptly, monthly statistics, at the same time summarizing the total for the year up the date of issue and incidentally giving comparisons for the month and also for the period with the previous year. Statistic here given are for the year 1933 (not for 1932 as in the case of Manchukuo above cited.). For the first ten months of this year China's total imports were Mex. $1,170,-074,000; her exports Mex. $507,324,000. In the case of both imports and exports just a little over half of the total passed through Shanghai. Tientsin's share of the total import was 8.63 per cent, of exports 14.31 per cent. Hankow shows up poorly for both exports and imports with 1.44 and 2.57 per cent respectively.

America continues to stand at the head of the list as the principal supplier of China's imports, with 21.35 per cent. Japan stood third with 9.32 per cent. Of China's exports America takes just under 20 per cent; Japan just under 15 per cent.

(Figures in Mex. Dollars for 1st ten Months of 1933)

IMPORTS

From U.S.A.	$250,349,000
„ Great Britain	134,850,000
„ Japan	109,443,000

EXPORTS

To Hongkong	$99,692,000
„ U.S.A.	97,935,000
„ Japan	75,445,000
„ France	28,406,000

***

U.S. Trade With Asia Showed Substantial Increase During October

United States trade with Asia during the month of October showed a substantial increase over October, 1932, according to figures released by the Department of Commerce. Exports to Asia for October amounted to U.S. $32,616,000, compared with U.S.$23,482,000 in October, 1932. Imports from Asiatic countries during the month aggregated U.S.$44.193,000, compared with U.S.$27,774,-000 in October of last year. Exports to China amounted to U.S.$5.151,000 compared with U.S $5,069,000 for October, 1932. Imports from China were U.S $3.783,000, as against U.S.$2,033,000 in October of last year. Exports to Japan amounted to U.S. $16,826.000 for the with U.S. $10,841,000 in the corresponding period of 1932. Imports from Japan totaled U.S.$14,503,000 compared with U.S.$10,504,000 last year.

The commissioner for the Manchukuo Bureau for Foreign Affairs in Harbin on November 28 filed a second protest with the Soviet Consul-General, M. Slavutsky, against the firing by Soviet frontier guards during an in-

cident which occurred on the Manchukuo border November 16.

The new crops production law in Manchuria, went into effect Dec. 1. A prominent feature of the new law is a drastic reduction on tax-rates on all classes of foodstuffs, including crude crops, fine crops and vegetables for refined oils.

Manchukuo-Japanese Cotton Co. Established in Mukden

The new joint Manchukuo-Japanese Cotton Co. which was recently established in Mukden, with a capital of one million yen commenced business operations with 20 Japanese carding machines, arriving from Japan on November 26. The Newchwang Commercial Bank, established through the assistance of the Central Bank of Manchukuo as one of the measures to revive the financial conditions of said city, was opened for public business, Dec. 1.

Railway Ministry Wishes to Buy Locomotives with British Boxer Funds

At the 20th regular meeting of the Board of Trustees for the British Boxer Indemnity Refund held at the Shanghai Bankers' Club Dec. 4 the application of the Ministry of Railways for a loan for the purchase of six locomotives for the Shanghai-Nanking Railway and 33 coaches for the Nanking-Shanghai-Hangchow Railway was brought up for discussion. The meeting decided to refer the application to the Finance Committee for examination.

Boxer Fund Trustees Approve Conservancy Loan

The request of the Kwangtung Conservancy Commission for a loan to repair the dykes along the West River has been referred to the technical and finance subcommittees of the board for joint consideration. After the complete scheme and the purchase order have been approved by the technical sub-committee, separate contracts are to be signed for a cash loan of $400,000 and for a loan in materials of £5,000. Action has been deferred on the $9,000,000 loan request of the Huai River Conservancy Commission for conservancy work.

Canton Stated to Be Negotiating New British Loan

General Chen Chi-tang is stated to be negotiating a loan with the British authorities in Hongkong for the establishment of a certain factory in Canton. The amount of the loan is said to be $28,000,000 (Hongkong currency). In return the Canton authorities have agreed to grant certain privileges to the British in Kwangtung.

Gen. Tang Yu-lin Will Proceed to Peiping

General Tang Yu-lin, former Governor of Jehol, is xpected to arrive in Peiping, from Charhar shortly. According to information from local Chinese circles General Tang has addressed a telegram to General Ho Ying-ching, acting chairman of the Peiping Branch Military Council, saying that he has turned over the command of his troops to the Charhar Provincial government. General Tang's troops, which recently clashed with the forces of General Liu Kuei-tang, bandit suppressian commander for East Charhar, are now being reorganized into the provincial forces of Charhar. General Sung Chen-yuan is preparing an estimate of the monthly expenses of General Tang's troops to be submitted to the Peiping Minitary Council next week.

Chinese Withdraw from Outside Road Negotiations

According to a statement issued by the Shanghai Municipal Council last week, the Chinese authorities will not carry on negotiations with the Shanghai Municipal Council regarding extra-Settlement roads along the lines upon which the negotiations were originally initiated. The negotiations were commenced in May, 1931, at the invitation of the Chinese authorities and had been continued up to last week. The Chinese representatives take the position that a political issue has been injected into the question of the constitution of the proposed special police force for the extra-Settlement roads which precludes any further discussion of this subject by them for the present.

Nanchang Radio Broadcasts Bandit Suppression News

An account of the progress of the bandit-suppression campaign in Kiangsi was broadcast on the night of Dec. 2 by the Radio Station attached to the Provisional Headquarters of the Military Affairs Commission at Nanchang.

Eurasia Aviation Corporation to Increase Capital

According to a notice issued by the Eurasia Aviation Company, the air service between Shanghai and Tihua, in Sinkiang, which has been suspended for several months owing to the civil war in Sinkiang, will be resumed on December 18.

The capital of the Eurasia Aviation Corporation is to be increased to $5,100,000, according to a resolution adopted at a recent meeting of the Board of Directors of the Corporation. The present capital of the Corporation is three millions.

An aviation club will be formed shortly in Shanghai, under the auspices of the Chinese Aviation Association to encourage aviation in China. Messrs. Lin Ao-chiang, Sun Tung-kang and Captain Chen Wen-lin are the chief promoters of the new organization.

The National Commission for the Promotion of Aviation reports that during the period between May 3 and November 14 a total of over $941,000 donated towards the Airplane Fund was collected from various quarters.

In compliance with the recommendations of the Naval Ministry and the Executive Yuan, the National Government has sanctioned the conferring of a Second-Class Medal on Captain Chen Wen-lin, Director of the Aviation Bureau of the Naval Ministry, in recognition of his meritorious services.

A Washington report states that a group of American aviators are preparing for a flight to Soviet Russia by way of New York, Bermudas, Azores, Berlin, and Moscow.

The debate in the House of Commons Nov. 29 on the air defence of Great Britain ended in the rejection, without a division, of a motion submitted by Rear-Admiral M. F. Sueter (Conservative) drawing attention to the "inadequacy" of the air defence of the Empire.

The Brazilian government has granted Colonel and Mrs. Charles Lindbergh permission to fly over Brazilian territory. This is interpreted to mean that the Lindberghs intend to fly the South Atlantic.

The Indian air mail of December 9 will carry Christmas mails from Europe to the Straits Settlements. The mails will be flown from Rangoon to Singapore, thus adding 1,500 miles to the existing air route.

Thirteen workers of Soviet civil aviation were killed in an air catastrophe, when the giant aeroplane K-7 crashed near Kharkov Nov. 21.

The French tri-motor plane, the *Emeraude*, has succeeded in establishing a commercial link between Paris and Dakar in 24 hours including the stops-over, carrying twelve passengers on board.

Air transport companies in the United States have increased their volume of passenger and freight traffic recently; the miles flown, according to *The Index*, which is a publication of the New York Trust Company, have risen from 4,608,880 in 1926 to 48,344,358 in 1932.

Japan Backward in Civil Aviation

Japan's slow progress in civil aviation, in contrast with the great developments witnessed in both naval and military aviation in the country during the past decade, is being discussed at present in the Japanese press. Emphasizing that a large proportion of Army, Navy and Air Force officers are bound to be killed or disabled in the initial clashes, it is pointed out that, in order to fill up the serious gaps thus left in the country's air defences, a plentiful supply of well-trained civilian aviators will be essential. The outcome of any future war will, it is argued, be largely dependent on the strength and efficiency of civil aviation.

A ten million-yen international airport, one of the biggest of its kind in the Orient, is shortly to be established in Naruo, suburb of Osaka, according to plans now being drafted by the Japan Air Transport Company.

Singapore Tighters Up on Opium Smoking

The Government of the Straits Settlements has promulgated measures to the effect that opium smokers have to produce a pass, on which is affixed the photograph of the smoker, his daily consumption, his place of birth, his address and the place where he intends to smoke it, Except in special cases, where the registered smoker is physically prevented from attending at the depot, every smoker must buy his requirements himself. No registration fee is charged.

Japanese Cabinet Weathers Storm---Army and Navy Receive Nearly a Billion Yen

THE Japanese Cabinet was on the verge of a crash at the end of last week as the result of the action of Mr. Takahashi, the venerable Minister of Finance, standing out firmly against demands by the Army and Navy—particularly the latter—in the course of making up the budget to be presented at the next meeting of the Diet, covering the year 1934. When the military and naval people showed signs of riding over his decisions, Mr. Takahashi tendered his resignation. Premier Saito, as he has done on several previous occasions, acted as a mediator between the contending parties in the official family, with the result that a compromise was arrived at December 2. Mr. Takahashi thereupon withdrew his resignation. The total figure fixed for the 1934 budget is Yen 2,111,111,000, of which Yen 487,906,000 is allotted to the Navy and Yen 449,000,000 to the Army. The appropriations agreed upon, in thousands of yen, by departments are as follow:

	Ordinary Acount	*Special Account*
Imperial Household	Y.4,500	—
Foreign Office	16,960	10,910
Home Office	49,651	119,818
Finance Office	43,524	40,859
War Office	168,587	280,874
Navy Office	199,372	288,534
Justice	33,344	2,226
Education	129,639	23.141
Agriculture and Forestry	29,734	57,975
Commerce and Industry	5,319	8,210
Communications	172,817	17,008
Overseas Affairs	1,971	25,072

In the budget as finally approved by the Finance Minister and the Cabinet, Government revenues in the ordinary account amount to Yen 1,248,029,000 and, in the special account, to Yen 863,508,000. The special account includes Yen 875,335,000 of government bonds and Yen 19,427,000 as the balance from the current fiscal year. Appropriations amount to Yen 1,247,105,-000 in the ordinary accunt and Yen 864,431,000 in the special account.

The Navy figure of Yen 487,906,000, is higher than the Finance Minister was originally willing to approve, but Yen 13,000,000 less than the amount originally sought by Admiral Ohsumi, the Minister of the Navy, who proved even more recalcitrant than General Araki, the War Minister. The War Minister agreed to the transfer of Yen 10,000,000 from the budget of the War Office to the Navy Office. In addition, Mr. Takahashi agreed to issue additional bonds valued at Yen 5,000,000 for Navy expenses. The action of Gen. Araki in releasing Yen 10,000,000 from his own budget to the Navy Office was opposed by other high ranking officers of the Army.

The compromise budget was brought about, as already mentioned by Premier Saito, whose efforts at peace-making were described in the telegrams as "herculean." Viscount Saito had a series of discussions practically through the entire night with Mr. Takahashi, Finance Minister; Gen. Sadao Araki, War Minister; Admiral M. Ohsumi, Navy Minister; and other members of the Cabinet. Baron Yamamoto, Home Minister, assisted the Premier in pleading with Ministers to accept a compromise. He said that the Government should not resign for such a "small amount," particularly in view of the fact that no other cabinet so powerful could be found at this time. The basis of the compromise was reached only a few hours before the Cabinet meeting was to convene. Admiral Ohsumi fought hard for an appropriation of Yen 500.-000,000, saying that this sum was a vital necessity in order to perfect the Navy during the next fiscal year.

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Satisfactory settlement of the budget controversy centering around the next fiscal year's budget figures was reached at an informal cabinet meeting, Dec. 2 when the Navy Ministry was granted the an additional appropriation of 15,000,000 yen to be transferred partly from the Manchurian incident expenses and partly from the estimates for the Finance Ministry. With the compromise effected, the reported Cabinet crisis was completely cleared.

A Tokyo message reports that the Japanese Navy contemplates spending the greater part of the special budget, Yen 237,000,000, for the next fiscal year, for the execution of the plan for the second replenishment of naval strength, in accordance with the London Agreement, as well as for the expansion of the naval air force and the improvement of capital ships. During the period of three years, beginning from next year, the Japanese naval authorities plan to complete the construction of altogether 48 ships.

Although the Navy Department's appropriations of Yen 670,000,000 have been curtailed to Yen 449,000,000, a spokesman of the department confirmed Dec. 4 that it was hoped the amount would be sufficient to carry out the second replenishment program fully in accordance with original plans. He added, however, that supplementary appropriations might be required later. The spokesman confirmed that the vessels to be constructed under the program comprised: Cruisers—two of 8,500 tons each; aircraft carriers—two of 10,000 tons each; mine layer—one; destroyers—14 of various sizes; submarines—four of various sizes; oil tanker—one; repair ship—one; submarine mothership—one; torpedo boats—four; submarine chasers—four.

In so far as the aircraft carriers are concerned, it is understood that, as Japan is only entitled to build a further 12,000 tons in this category, one of the two projected vessels will replace the 7,470-ton *Hosho*, which will then be scrapped.

In addition to all this new building, a sum of about Yen 75,000,000 will be set aside for the reconstruction of two battleships, *Matsu* and *Nagato*, two aircraft carriers. *Akagi* and *Kaga*, and two unspecified cruisers. The reconstruction of the two battleships is to consist primarily in increasing gun elevation.

Japanese Maintain "Cocky" Attitude on Naval Disarmament Problem

An unofficial statement was made in Tokyo, Dec. 3 by the naval authorities to offset the report concerning the emphatic demand for a stronger United States Navy made by Secretary of State Swanson. Confirmation is given to Navy Minister Osumi's statement of September 13, to the effect that the limitation of fighting strength and the security of peace to a country are inseparable in the question of disarmament, and especially as regards naval disarmament the question must keep step with the international environment. The Japanese naval authorities take the view that there is no reason for a country to be under a permanent restriction by the contents of an agreement that had been signed by Japan, conditionally, twelve years ago—as the international situation has seen a complete change since the ratification of the agreement, and as far as Japan is concerned at the present moment, such stipulations in the old agreement have become unsuitable.

Japanese Government to Issue Bonds for 905 Million Yen

In order to meet the huge deficit for the next fiscal year, the Japanese Ministry of Finance has decided to raise funds for the government departments to a total sum of Yen 905,406,000, by means of the issurance of

government bonds, of which Yen 785,406,000 comes under the item of government's general finance account and the remaining Yen 120,000,000 under special finance account. As compared with the amount of bonds issued during the present fiscal year, the above shows a decrease by approximately Yen 100,000,000, Japanese government financiers state.

Japanese on the Road to Bankruptcy

From "Living Age" (November)

National bandruptcy is at last on the point of revealing the 'Japanese menace' as more imaginary than real. Finance Minister Takahashi recently informed the nation that if expenditure is kept at the present level the entire state revenue will be needed to make interest payments on government loans within five years at the very latest. This year's budget deficit comes to one billion yen, which is exactly the amount that went into military expenditures, and next year Japan is to spend more money on her army and navy than at any time in her history. Taxation cannot possibly meet this burden, as the total revenues for the current year covered only 55 per cent of the nation's expenditures, and the farmers, who compose 70 per cent of the working population, are struggling under debts that total six billion yen. The militarists had hoped that Manchuria would make Japan independent of imports and that the de preciated yen would increase Japanese exports so much that the country would enjoy a favorable trade balance. But imports from Manchuria have fallen far below expectations and other nations are raising tariffs against 'dumped' goods from Japan.

At the conference of the Deputy Governors of all prefectures which was held at the Department of Agriculture and Forestry Nov 25 to discuss matters relating to local equipment for the storage of 6,000,000, koku of unhulled rice, Mr. Kurashige, Deputy Governor of Hyogo prefecture, and others, emphasised the need of measures for the improvement of conditions in agrarian communities, urging the Minister of Agriculture and Foresty to make redoubled efforts to secure the revival of the items of expenditure ruthlessly cut by the Finance Department.

World Generally Puts Up Bars Against Japanese Goods

The Trade Bureau of the Ministry of Commerce and Industry of Japan announced in Tokyo Dec. 3 that according to investigations it had made, action against the importation of Japanese commodities has been taken by 27 countries in the world, included among such nations are China, British India, Duth East Indies, French Indies, French Indo-China, Philippine Islands, Siam, Great Britain Germany, Belgium, Sweden, Austria, Netherlands, Turkey, Greece, United States, Canada, Argentine, Chile, Egypt, Australia and Russia, the report stated. High tariffs, exchange control, government control of imports on the pro rata system are among the methods used to prevent Japanese goods from being shipped into those countries in unlimited quantities. Cotton fabric, cement, marine products, paper, timber coal, China ware, toys, beer, artificial silk fabrics, rubber shoes. electric light bulbs rubber shoes, silk, milk and celluloid goods were the chief targets for attack, it was reported.

In the House of Commons Nov. 29 Captain Albert Fuller, Conservative member for Manchester, moved a resolution demanding the abrogation of the Anglo-Japanese trade agreement, and the restriction of Japanese trade competition in Britain either by high tariffs or embargoes. Walter Runciman, president of the Board of Trade, said in reply that he could not at present see how Lancashire would gain much if the government denounced the Anglo-Japanese treaty. He declared that the government wished to exhaust other means before embarking on such a course. Nevertheless, Captain Fuller's motion was agreed to without a division.

The Japanese Government announced Dec. 1 that the European and American Affairs Bureau of the Foreign Office will be divided into separate bureaus: The American Affairs Bureau will have three sections, the North American, South American and Immigration.

A recent survey of the situation in Lancashire reveals that Manchester is buying Japanese artificial silk fabrics in order not to be entirely crowded out of the overseas markets. They are buying Japanese cloths at 10½d per yard which cannot be produced in England under 1/11d per yard and the work people themselves, owing to the hard times they are now facing, are forced to wear clothing made of Japanese material.

Italian newspapers are quoting statisties showing the danger from Japanese dumping. The Japanese and the Italians are rivals particularly for the growing artificial silk business in China.

Besides the establishment of Japan's new legation in Afghanistan, another legation in Columbia, in South America, is to established in the course of next fiscal year.

Insurance Official Says Militarists Get All the Glory

Tsuneta Yano, president of the First Mutural Life Insurance Company, is now a but of attack in militarist circles as he spoke in an anti-militarist tone late in October before over two hundred police students of the Shizuoka Police Training Institute. He alleged that the superiority of the army was due to contrilictions from the industricatists; but the former get all the glory, and the latter suffer.

Japan May Limit Raw Silk Production So as to Keep Up Price

There has of late been a sharp drop in the price of Japanese silk, due mostly to the fact that America, as Japan's principal customer, is paying for purchases on the basis of depreciated American currency. Another factor has been the great development of rayon, (artificial silk.) Plans are on foot by the Japanese government to nationalize (that is to put a limit on production on a prorata basis) the silk industry. The Yamanashi Raw Silk Reelers' Association, at an emergency meeting held in Kofu on November 26, decided to cease operations for two months from December 1.

Communism in Judicial Ranks—Three Judges Removed

The Tokyo police Nov. 29 disclosed that three judges of district courts and five of their clerks have been arrested and held guilty in preliminary examination on charges of violating the peace preservation law through participation in revolutionary activities. The former jueges, who were removed from their benches early in the year, were Yonosuke Tamenari, Nagasaki District Court; Reisaku Takiuchi, Sapporo District Court, and Rikinosuke Fukuda, Yamagata District Court.

Nyozekan Hasegawa, leading writer of radical literature, was among 13 persons arrested last week as Tokyo police continue their drive to eradicate the National Council of Labor Unions of Japan, known as the "Zenkyo."

Books and pamphlets containing disquieting matter will be burned and the authors or publishers will be given severe punishment, say six years imprisonment according to a recent decision reached by the Japanese Home Office. In addition to that, the Home Office will see that phonograph records are strictly examined and if they are found objectionable, the makers and distributors will likewise be called to account.

Accused of stealing 1,080 shares of stock and Yen 500 in cash from his father to contribute to the Communist cause. Akira Toyama, a student of the high school section of Waseda University, son of Hiroshi Toyama, wealthy director of the Anglo-Japanese Brewery Company, was arrested last week in Tokyo when he attempted to sell the securities to a Rekuichi stock brokerage house.

A Waseda student arrested late in October by the Metropolitan Police Board has been formally indicted, accused of communistic activity. It is stated while in Waseda he took charge of leading radicals there belonging to the Communist Young Men's Department; and last summer, he went to Oshima on instructions to diffuse red ideas among youths there.

The Kyoto Imerial University last week announced the expulsion of six students, the suspension of ten, and the reprimand of three. They are alleged to have taken the leaderships of past troubles in the university with an intention to conduct students' movements to communistic activities.

After 23 sittings of the public trial handling the case of the civilian culprits of the May 15 affair, of last year, in which the defendants in cooperation with navy and army comrades attempted to create disturbances in tha capital through assaulting high government officials and attacking various public buildings and electric power plants, sentences ranging from life imprisonment to 7 years' imprisonment with hard labor were asked of the court by the procurators at the Tokyo District Court. Nov. 30. This contrasts with the mild sentences which were passed on the 10 naval officers concerned in last year's May 15 outrages, and on the 11 cadets who were each sentenced to four years' imprisonment on September 19.

Kwangtung and Kwangsi May Remain on Fence in Fukien-Nanking Dispute

(From the Review's Canton Correspondent)

THE continued absence of a clear cut announcement from the Kwangsi Government supporting the Fukien Provisional Government is interpreted as indicating the strong possibility that both Kwangtung and Kwangsi will remain on the fence in the event of an outbreak of war between Fukien and Nanking.

While the Nineteenth Route Army commanders have declared their opposition against Chiang Kai-shek as being the sole reason for their present independence movement, the Communist influence in Fukien also plays an important role in their present venture for independence. It will be recalled that when Yenping and Foochow were both threatened by the advancing Communists from western Fukien some months ago, the Nineteenth Route Army commanders were most frank about their precarious situation in Fukien. It was then the subject of the Fukien militarists' discussion whether it would be wise to seek for some form of an understanding, not necessary alliance, with the Communists. In this connexion it was seen also at those times that if the Communist bandits, driven out by Nanking forces in Kiangsi and bandits from Fukien-Kwangtung frontier, should make a concerting action against the Nineteenth Route Army the latter might have been crushed. Fortunately the Communists were defeated in time for the Nineteenth Route Army to recuperate their strength and send for reinforcements from other parts of Fukien. Since that time and the siege of Yenping the Nineteenth Route Army has realised that the constant menace of the Communist bandits would one day prove their downfall. The alternative of this difficult position is either to seek an understanding with the Communists or else the Nineteenth Route Army must be expanded.

Fukien Finances in Poor Shape

The stringent financial position of the Fukien Government and the inadequate financial subsidies from Nanking and Canton, however, do not support such an ambitious expansion of the Nineteenth Route Army. The contemplation for the formation of an independence regime through some form of secret understanding with the Reds was first conceived by General Chen Ming-shu, former Minister of Communications in Nanking and Nineteenth Route Army ex-Commander-in-Chief, when he returned after his long holidays in Europe and America.

The first move towards the formation of this regime, although it was then unknown to even the political leaders in Canton, was made when the Nineteenth Route Army demanded the resignation of Fan Chi-wu, Finance Commissioner of the Fukien Provincial Government and in his place Hsu Shih-ching, a more trusted friend of Chen Ming-shu was appointed as his successor.

Many were puzzled by the sudden resignation of Fan Chi-wu, as the chief finance administrator for the 19th Route Army after their long association dated back to 1927 in Canton, when Chen Ming-shu was Chairman of the Kwangtung Provincial Government. But the explanation is now simple. As one of the foremost Kuomintang members and one of the few living Kuomintang members who participated in the street fighting to overthrow the Manchu government in Canton in 1911, Fan Chi-wu was too true a Kuomintang supporter to agree to any form of a democratic government, which suggests such drastic reform as the abolition of the Kuomintang and National Government ensign and organisation of a political party whose principles are opposed to the Kuomintang.

With the elimination of Fan Chi-wu and other Kuomintang veterans associated with the Fukien government, Chen Ming-shu saw his way clear for the establishment of a socialistic democratic government, which because of the inclusion of some Kuomintang radical members as its members has been interpreted in the South as being a regime with a strong indication of ultimate Communism. The organisation of this new party was carried out secretly in Hongkong, but when the news leaked out, the Canton government immediately ordered the arrest and execution of some of Chen Ming-shu's secret agents in Canton. The execution was carried out of these political agents, whom Commander-in-chief Chen Chi-tang shrewdly called Fascist agents of Chiang Kai-shek to satisfy the curiosity of the "veteran political party," supporters of Hu Han-min, who does not see things eye to eye with the Nanking Generalissimo. Chen Chi-tang was alarmed by the secret agents of Chen Ming-shu in his administered territory and, believing that the plot was to overthrow him, drastic arrests and executions of "Fascists" were carried out. But even at those early stages Chen Chi-tang had never dreamt of an independence movement in Fukien.

Apart from such well known Kuomintang personnels as Eugene Chen, Li Chi-shen, George Hsu Chien (proscribed by Nanking in 1927 and pardoned in 1931) and others, some socialists and Communists scholars and writers are among the chief organisers of this new party first in Hongkong now shifted to Foochow. Wong Shih-li is a writer of socialistic subjects and is among the latest political recruits under Chen Ming-shu. A certain Hu Cho-yuan, a man known for his participation in the Communist government in Hankow in 1927, was also conspicuous for his activities in this new party organisation. Through his new association with these socialists and Communists, Chen Ming-shu has since drifted further away from the Kuomintang and this has been one of the chief reasons of the Fukien revolt.

It is also the opinion of observers in the South that if the Communists had not been driven by the Nanking troops from Kiangsi to Fukien and if the Nineteenth Route Army still possesses some chance of maintaining their positions in Foochow without the bandit menace, the chances are that such a Fukien rebellion could not have found support from such a conservative commander as General Chiang Kwang-nai, Chairman of the Fukien Provincial Government. But for the bandit menace it is most doubtful if Chiang Kwan-nai would ever agree to submit himself under orders from Chen Ming-shu.

Because of the secessionists' announcement to sever connexions with the Kuomintang and the Nanking Government, both Generals Tsai Ting-kai and Chiang Kwang-nai of the Nineteenth Route Army have been placed in a somewhat ridiculous position. Chiang Kwang-nai is quoted as having vehemently denounced the Nanking Government at the inauguration meeting at Foochow last Monday after which he declared resignation of the post of Chairman of the Fukien Provincial Government, because it was a Nanking appointment. At the same time both he and Tsai Ting-kai retain their high posts in the Nineteenth Route Army, but isn't the Nineteenth Route Army, like the Seventeenth Route Army and other Route Armies, posts appointed with the dignity of the Nanking National Government and the Kuomintang. Why the Nineteenth Route Army officers do not renounce their army title and adopt a new one chosen by the "People's Government," is more than the observers can understand. This is but one of the instances in which the writer finds some glaring contradictions in the policies and assertions of the "Fukien Regime."

The Anomalous Position of Li Chi-sen

The inclusion of Li Chi-shen in the Fukien independence movement is another surprise. Why was Li Chi-shen invited by Chen Minfi-shu to join the new party, despite the obvious fact that these two leaders of South had been strong opponents during their rule in Canton?

Li Chi-shen was head of the then famous Eighth Route Army and Chen Ming-shu as the staunch supporter of Chiang Kai-shek and Chairman of the Kwangtung Provincial Government in 1927-1929. Chen Ming-shu's rule was longer and he resigned only in May 1931.

Because it is the new Fukien government's desire to win military support from the Kwangsi armies under General Li Tsung-jen and Bei Tsung-hsi, both are close friends of Li Chi-shen, an alliance dating back to the time when Hankow was administered by the Kwangsi Party before 1930. So far the Kwangsi commanders have wisely refrained from participation in Fukien affairs, although Li Chi-shen has made a personal visit to Wuchow to seek the Kwangsi alliance. It is still uncertain what the Kwangsi government may do, as both Bei Tsung-hsi and Li Tsung-jen have declined to come and attend meetings in Canton. It would seem logical that the Kwangsi leaders, because of their friendship with Li Chi-shen and a covetous hope to share in Canton's government and its substantial revenues, may remain a watchful attitude in the Fukien developments. Kwangsi will remain neutral as long as Kwangtung does not attack Fukien. But latest indications seem to show that Kwangtung will co-operate with Nanking and Hunan's military action against Fukien, in which case a Kwangsi invasion on Kwangtung from the West River is not altogether unexpected.

It is also pointed that Fukien's announcement to sever connexions with the Kuomintang has caused a most unfavorable impression on the conservative elements in the Kwangsi government, who fear the grave consequences of excommunication by the Kuomintang, if the Fukien armies should suffer defeat under the Kwangtung-Nanking joint actions. The Kwangsi leaders, furthermore, are not too clear about the organisation which in Foochow is called the "Chinese Democratic Government."

Have American Interests Financed Fukien?

Coming to the financial aspect of the Fukien government, it is obvious to all that Fukien alone is unable to resist any neighboring province's invasion even at normal times, because Fukien is not even self-supporting not to speak of financing a whole government with the numerous departments and the big Nineteenth Route Army of forty thousand soldiers. There is a strong suspicion that the Fukien leaders have secured financial aid from American interests, but this has not been proved. It is learned also that the Chi Kung Tang, a political organisation formerly headed by the late General Chen Kwing-ming (chief of Sun Yat-sen's opponents in Canton before the northern expedition) has contributed $10,000,000 to Fukien. Chi Kung Tang members are found among the conservative members in the numerous Tongs in America and Australia.

Canton does not see much value in the mediation effort by Nanking government representatives to visit Fukien, because the Nineteenth Route Army's severance of connections from the Kuomintang and their insistence on the resignation of General Chiang Kai-shek will prove to be real obstacles to future peace negotiations.

So far Kwangtung's anxiety has been over the probable serious consequences of this secessionists' movement, which may fail and cause a recrudescence of Communist disturbances on the Fukien-Kwangtung frontiers. If defeated by the Nanking troops, it is anticipated that the forty to fifty thousand men under arms, known generally as the Nineteenth Route Army, will become Communist bandits and become a factor of constant menace to the peace in Kwangtung.

The Kwangsi Provincial Government, which is considered another big factor in the Nanking-Fukien quarrel, has continued to remain silent. The Wuchow General Chamber of Commerce has issued a statement concerning the stand of the Kwangsi government towards the present imbroglio in China, stating that the chamber of Commerce has been duly informed by General Wong Kuo-cho, Chairman of the Kwangsi Provincial Government, that Wuchow merchants should not be perturbed by the Fukien changes, because, in the event of hostilities, Kwangsi will be neutral. The Chairman of the Government advises the merchants to continue sending goods to Kwangtung and the neighboring provinces. The Kwangtung government has repeatedly asked the highest military officers in Kwangsi, General Pei Tsung-hsi and Li Tsung-jen to come to Canton, but so far these invitations have been ignored. To the keen observers, the whole situation is still obscure with most of the provincial commanders in the Southwest preferring to see what Fukien does next in the way of military and political policies before declaring their allegiance.

Lin Ping-cheung Executed

Commander Lin Pin-cheung and the Captain of the gunboat *Kong Tai*—both of whom had been detained since their arrest about a month ago for inspiring a political uprising in Canton to overthrow Chen Chi-tang were executed in Canton Dec. 1 secretly. These executions have a connection with the Fukien developments.

The Southwest Executive Committee of Kuomintang and the so called Southwest Political Council have issued a joint cablegram to the Nanking government in which references are made to the "19th Route Army's unavoidable movement in Fukien," "their sacrifice in the Fukien movement to turn against the three principles of the Kuomintang," and other unreasonable charges against the National Government in Nanking for the latest internal dissensions. In short, observers believe that, while the military are loyal to Chiang Kai-shek and Nanking, the political faction here under Messrs. Hu Han-min, Hsiao Fu-cheng, Tang Tse-yu, Chow Lu and others, see in the present chaos an opportunity to resume their frequent attacks on the Nanking administrators. Chen Chi-tang has had a conference with another staunch military supporter of Nanking, General Ho Chien, the Chairman of the Hunan Provincial Government, at Lokcheung in northern Kwangtung and as a result of this meeting it is learned on good authority that if Kwangtung is invaded Hunanese troops will enter northern Kwangtung to help Chen Chi-tang in the suppression of Communists in northern Kwangtung. Cantonese troops there will be withdrawn for defence against Fukien on the East River.

Further troop movements and erection of fortifications in the East River districts have taken place and Waichow and Swatow have both been converted into centres of military concentrations. Appointments of new officers for the East River defence have also been announced including some former Ironside troops commanders, who were driven out of Canton in 1927 by Li Chi-shen and Chen Ming-shu.

Canton, December 1, 1933.

⁂

Fukien Troops Arrive Near Kwangtung Border

Ten thousand soldiers belonging to the Sixtieth and Forty-Ninth Divisions of the 19th Route army arrived at Yung-Ting at Woping, in southern Fukien, nearest to the Kwangtung frontier. Anticipating invasion Chen Chi-tang has prohibited the East River officers from evacuating their families. Owing to transportation difficulties, Gen. Chen Chi-tang has decided to give up the upper East River districts at Swatow, massing his strongest army at Waichowfu, 80 miles to the south of Canton.

Fukien threatened the seizure of the customs surplus, amounting to four hundred and twenty thousand dollars monthly. Thereupon the Customs authorities have agreed to provide three hundred and twenty thousand dollars.

Litvinoff in Rome Discussed Japanese Question With Mussolini

M. Litvinoff, Soviet Foreign Commissar, arrived in Rome Dec. 2. He saw Signor Mussolini Dec. 3, when questions affecting world peace were discussed. The Italian King received M. Litvinoff Dec. 4. It is believed that M. Litvinoff referred to the matter of threatened Japanese aggression and that Italy and the Soviets are in agreement on most international questions. The Italian newspapers were filled with articles stressing Japan's commercial menace to Euope just previous to M. Litvinoff's arrival. The French people are generally suspicious of the visit which M. Litvinoff is paying to Signor Mussolini and it is suggested that the two statesman are "up to something."

James Farley, the United States Postmaster General, accompanied the Soviet Foreign Commissar from New York, and assisted the latter in his negotiations with the Vatican.

Mobilization of Public Opinion to Oppose Nanking-Fukien War

BY C. Y. W. MENG 孟長泳

THE Japanese aggression is not yet over; the ink on the "disgraceful" Shanghai Armistice Agreement and the Tangku Agreement is not yet dried; the "lost territory" is not yet recovered, but the Chinese politicians, instead of devoting their full efforts to saving this young Republic from the Japanese domination, are now waging another civil war. The Sino-Japanese crisis, instead of proving a "blessing in disguise" in uniting the country, and inducing China's political rivals to sink their personal differences and thus present a united front against the foreign aggression has had no effect in preventing this Young Republic from being plunged into further political dissension and more internecine and crucial warfare, far more disastrous than ever before. It is indeed a great pity to see that these armies, the best in China (19th Route Army for Fukien and the Crack Division, generally known as the 88th Division for Nanking)—which both put up such stubborn resistance against the Japanese invasion in Shanghai, and which won considerable fame, and which could well be trained up as the "model army" in China—are now fighting each other for a reason and purpose that we really can not understand. Let us now analyze the present political situation more closely and impartially, and see whether the whole situation could be saved without resorting to arms.

Principles and Policies of Different Cliques Analyszed

Today, we find that there are quite many political "cliques" in China, and we may name them by the names of the places they meet, as follows: (1) The Nanking; (2) the Shanghai; (3) The Grand Old Men in the South; and (4) the Fukien. The members of these cliques were or are members of the Kuomintang, but owing to some differences—personal or political—these members could never get along, and never work together with each other; they always attack each other bitterly by means of telegrams in the form of "interpellation;" and they really form some sort of "opposition party," rather than members of the same party.

Let us now analyse the respective principles and policies advocated by each clique and see whether their principles and policies are widely different from each other, or are just similar; whether they are reconcilable or irreconcilable—which will enable us to determine whether the present civil war could be avoided or is inevitable.

Nanking has always claimed that they are faithful followers of the Kuomintang. and everything has to be done in accordance to the Party principles. So the principles and policy of the Kuomintang are the principles and policy of the present Nanking Administration; and as the principles and policy of the Kuomintang are so well known we deem no further citation and explanation to be necessary.

There are some members of the C. E. C. (Central Executive Members of the Kuomintang), who advocate a different policy of government from that of the Nanking Regime, so they never go to Nanking to participate in the disscussion of national affairs; nor to attend any of the meetings. There has been no announcement of definite policy by these "Shanghai members" of the Kuomintang. But when the Nanking-Fukien break-off was made known, General Li Lieh-chaun, a veteran member of the Koumintang, is said to have written a "5000-word" letter to General Chiang Kai-shek, in which he explained the roots of the present political dissension, and he also suggested many recommendations regarding political reforms, etc. Up to now, only the heading and conclusion of his letter have been published. while the main body of his letter remains unknown. What General Li has said is undoubtedly represents the majority opinion of the C. E. C. members in Shanghai. When questioned whether he and other members would proceed to Nanking to attend the 4th Plenary Session of the C. E. C. on December 20, his answer was "we will consider," which generally means a "refusal." But we have learned that General Li is opposed to the employment of arms in settling the Fukien affair. for he pointed out to General Chiang that "it could not kill all who disagreed with the policy." General Li also expressed his dissatisfaction with the present Nanking Administration, and proposed many changes in the Nanking policy, such as freedon in speech and assemblage, so that every one could have a voice in the government, etc.

The South-West Political Council of the South-West Executive Committee, consisting of "Grand Old Men" of the Kuomintang had also sent a telegram to Nanking urging Nanking leaders to resign to pave the way for the liquidation of the present chaos. The telegram pointed out that the "dictatorship" at Nanking is the root of the present crisis. and blamed Nanking for the conclusion of the "disgraceful" Tangku Agreement. The present outbreak of the rebellion in Fukien, continued the telegram, is due to the "oppressive measures" that have been taken by the Nanking leaders. The telegram made it very clear that the Southwest could not agree with the present Nanking Administration and urge the leaders to resign; and at the same time, it made clear that it could not agree with the new regime in Fukien.

In addition to these, there is a new regime in Fukien which has just published an "outline of Political Administration of 18 Articles", and we may translate them roughly as below:—

1. Abolition of Unequal Treaties and conclusion of Equal and Reciprocal Treaties.
2. Suppression and confiscation of foreign cultural and industrial activities and administrations in China encroaching upon the interests of the Chinese people.
3. Readjustment of Domestic and Foreign Loans, disrecognizing all the poltical loans infringing upon the national interests, while paying the other loans under certain conditions.
4. Enforcement of control over trade with foreign countries.
5. Rigid application of the tariff autonomy.
6. Emancipation of political powers to all people, except those affiliated with the imperialists, militarists and anti-revolutionists.
7. Equality of all races within China; freedom in joing the Revolution; due recognition of the racial self-determination.
8. Freedom of residence, speech, assemblage, strike and demonstration, and press.
9. Enforcement of universal sufferage.
10. Abolition of all exorbitant taxes.
11. Division of land according to per capita; state-ownership of all forests, mines, rivers, etc.
12. State control of banks and means of communications.
13. Assistance to make the agricultural productions more scientific by political means as well as by state capital.
14. Abolition of usurious interests in lending.
15. Suppression of traitorous merchants; state monopoly in selling daily necessities.
16. Enforcement of Labor-Agriculture Law with a view to improving the livelihood of laborers and farmers to protecting and assisting the development of the labor and farmer organizations.
17. Generalization of education.
18. Enforcement of compulsory military conscription.

Principles and Policies Are the Same and Reconcilable

From the above, it is clear that it is not Fukien alone that is opposed to the Nanking Administration. The Shanghai members, the "Grand Old Members" in the South-West are also opposed to the Nanking Administration. Fukien openly demanded the retirement and punishment of officials in the Government by setting up a de facto rebellion. The South-West openly demanded the resignation of the leaders to pave the way for liquidation of the political situation, while the Shanghai members expressed their dissatisfaction in a rather sarcastic way by means of sending letters or telegrams. Thus, we see that there is no unity among the leaders in China to put our house in order, and the internal political dissension will probably last for more years to come, for when the Fukien rebellion is being suppressed, some other rebellion will rise. Should we let such a state of affairs drift on any longer?

So far as their respective principles and policies are concerned, they are principally the same and reconcilable.

Nanking demands the abolition of unequal treaties, abolition of taxes, etc. etc., so with the Fukien and South-West members. Nanking promised to return the political powers to the people and to abolish the party rule in 1935, while the Fukien and South-West and Shanghai members demand it, more or less, immediately,—the difference being only in the length of time, not in principle. When the "18 Articles" of the Fukien Regime are studied, we could not accuse at once the new regime of being "communistic" in nature; for there is no article providing for the confiscation of private properties, and other communistic principles. Eugue Chen made it clear that there is no possibility of making an alliance with the Reds. He denied categorically that delegates had been sent to, or received from, Japan, or the communist state in Kiangsi, etc. that is to say, the Chinese politicians are not fighting for any definite policy for the nation.

Nanking Blamed

Nanking's handling of the Fukien situation needs a few of our comments. The first fault with Nanking is that it fails to take cognizance of the existence of the opposition party; for it is a fundamental principle in a democracy that the ruling party is the servant of the people, while the opposition party is the public watchman, supervisor, monitor and alternative of the servant; and Nanking should make all possible changes in the administration to meet the public opinions or wishes of the opposition party. During these three years of Administration, Nanking certainly has disappointed us much.

Nanking certainly must have known, much earlier than we do, the brewing of the rebellion in Fukien. Nanking should have taken steps long ago to nip the trouble in the bud. As far as we know, besides sending President Lin Sen to Fukien, Nanking took no other steps. But President Lin went there without being accompanied by anybody closely affiliated with the present sponsors of the new regime. That his mission was destined to be a failure was a foregone conclusion. Such action was, further, taken too late to save any situation.

Further, when the rebellion broke out, Nanking repeatedly told us that "political means" would be employed to settle the situation. But Nanking's works and actions are by no means uniform.

"Political means," should be understood as "peaceful means," as distinguished from force of arms. But the Central Political Council at once dashed out the order to the National Government for the dismissal of these sponsors in Fukien from the Kuomintang and for the "arrest" of these leaders. A couple of days later, monstrous mess meetings, under the auspices of the Kuomintang, were being held everywhere to denounce the new regime in Fukien, and to urge the government to launch the punitive expedition against Fukien. The crack Division (88th Division) was at once to be transported to Chekiang. Is this the "political means" of settling the situation? One military leader in the Government was said to agree with the expedition, but for one reason or another, the expedition was halted.

Nanking's Overture

Then we have heard very much about the sending of so-and-so to Hongkong and Canton to get Hu Han Min to come to Nanking, under the doctrine that the existence of the party is in danger, and all members must unite to save the situation. But Nanking's efforts were only replied to by a telegram from the South-West Council (Mr. Hu being one of the signatories), which accused Nanking's "dictatorship," "oppresive measures," etc., and demanded the resignation of the Nanking leaders. Then the talk about the sending of "delegates" to the South dies down. To be sure, such action could hardly be regarded as one of "political means" to settle the situation. It is only one of the Chinese usual "play-off policies" by playing one against the other. What Nanking is doing is to prevent Canton from joining hands with the Fukien rebels, and to isolate the Fukien regime, so that Nanking could easily crash the rebellion in a "fortnight."

We have read very much about the "joint telegrams" sent out by generals and "Tangpu" (Headquarters of the Kuomintang) in different places, urging the Government to launch the punitive expedition to suppress the rebellion. Today, we have read another telegram signed by General Ku Chu-tong (notorious former Kiangsu chairman who executed the editor of the *Sing Kiang Pao* without any judicial process) and 50 others (mostly in Kiangsi in directing the Anti-Communist campaign) urging the same. General Chiang Kai-shek has been urged to assume the post of "Commander-in-Chief" of the punitive expedition, etc. To us, these generals can only be considered being "loyal" to their commanders, but not to the Nation. Certainly, they know far better than we do about the destructiveness of a civil war to a nation. These generals are very quick in urging the Government to launch an expedition against the "rebels," but they are not so quick in doing the same in urging the Government to put up stubborn resistance against the Japanese invasion! These actions taken by them, to our opinion, only further muddle the situation, rather than paving the way for peaceful and rightful settlement of the situation.

Convocation of Provisional National Congress

From the above, it is clear that unlike the Labor Party or Conservative Party in England, or the Democratic Party and Republican Party in America, which are fighting for definite principles and policies of quite divergent natures for the nation, the politicians in China are only fighting for "powers" and "personnel," at the sacrifice of the Nation. To be sure, such turmoil is endless. When could China have peace? Should we—the citizens of the Chinese Republic—who know only the interests of the State, and nothing else, let such a state of affairs go on any more? During the past, China has had no less then 150 civil wars in 21 years of existence! These wars destroyed the prestige of the Nation, before the world, and imposed great sufferings to our people, but it is all due to our own fault—our ignorance and indifference of the political affairs of the State. We permitted the civil wars to come one after another. We never speak a word, nor take any action to stop the war. We never jump to our feet to oppose the civil war by taking such steps, as launching our nation-wide "Non-Co-operation Movement," "Civil Disobedience Movement," "Non-Payment of Taxes," etc; with, or to, the Government or the war party. Why do not the Shanghai bankers and the local Chambers of Commerce, which really control the purse of the Government and war party firmly refuse to lend any more money to the Government or war party for war purposes? Why do not the students, laborers etc, who are so fond of declaring strikes, go on strike in opposition to the civil war when the war is in existence?

We realize that the existence of the State is now in danger; our patience is now exhausted. We could not afford to have any more civil wars. We have to rise up and mobilize ourselves to save this Young Republic, before it is too late. Though at present 93 out of 100 people in China are ignorant and illiterate, there are still 7 people out of 100 who are educated and intelligent and who should shoulder the responsibility to save the country.

In order to settle the present "Nanking-Fukien-South-West-Shanghai" embrolio, we strongly propose to hold a "Provisional National Congress" consisting of the representatives of the educational, civil, vocational associations, etc. in the country to discuss and decide state affairs. The Congress will dictate what should be the policy of the Nation, and who should be elected to the post, and who should not be elected, thus ending a "War on Personnel." Our sole idea is to let the people decide the definite policy of the State, and let the people decide the "appointment" or "resignation" of certain leaders. At the same time, the period of Political Tutelage should be ended, and the period of Constitutionalism at once inaugurated. If any party refuses to abide by the decisions of the National Congress, we shall reply by our nation-wide "Non-Cooperation Movement," strikes, etc. This is what we consider "political means" for settling the political situation in China, and such is what we consider the true way of removing the "root" of the present political dissension; for hereafter, whenever the political parties can not agree with each other, to refer to a "plebiscite" to decide the case, is the proper and only way, and such a course we consider, will end the civil war for "powers" and "personnel" once for all.

Nanking, Dec. 4, 1933.

T. V. Soong Plans Trip to Szechuen

T. V. Soong, former Minister of Finance and now member of the Standing Committee of the National Economic Council, returned to Shanghai Dec. 6 from a trip to Chapu and Hangchow, where he spent his fortieth birthday, which occurred on Dec. 4. Mr. Soong left Shanghai Dec. 3 so as to evade celebration on the part of his friends and relatives. It is learned that Mr. Soong has wired Gen. Liu Hsiang, Chairman of Szechuen Province, expressing his intention to make a trip to Szechuen to study the economic and political conditions in that province. Gen. Liu, it is said, has replied to Mr. Soong's telegram, welcoming him to said province. Pending his trip to Szechuen, Mr. Soong is concentrating his efforts on the work of the National Economic Council.

Japanese Press Favors Revamping S. M. R., but the Public Wavers

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

ON October 17 the Tokyo *Nichi Nichi* reported the Kwantung Garrison authorities' plan for revamping the S. M. R. Company. The other leading papers following suit, the new attempt now looms large. Coming at the time when the economic control of Manchuria and economic cooperation between Manchukuo and Japan are monopolizing the attention of the Japanese in general, the issue may be said to have redoubled its attention value.

As the scribe thinks it most important to give a general idea of what the military plan is like, he cites informative news articles from such reliable papers as the following. Although no concrete program of the reconstruction has yet been made public as the possible direct aim of the military reconstruction plan, the above-mentioned issue of the Tokyo *Nichi Nichi* states to the following effect: "(1) The departmental management of the S. M. R. Company should be abolished and an independent management should be established as to the kind of industry; (2) the S. M. R. Company should be reconstructed into a sort of holding company; (3) to control and direct the new investment company the Special Service Department of the Kwantung Garrison will cooperate with the S. M. R. Economic Research Association in acting as the "economic general staff office"; (4) the home capital shall, for the time being, be invested in the big investment concern, but in time direct investment in each of the divisioned companies shall be made possible in order to let the domestic capital eventually take over the management so that the Japan-Manchukuo conomic bloc may be consolidated." The development of the enterprise is keenly watched because of its attempt at materializing a colossal investment of not less than two billion yen, the paper continued. The November 2 issue of the *Tokyo Asahi* and November 11 issue of the *Diamond* states with reference to the question something as follows: "The situations surrounding the S. M. R. Company indicate the need for a revolutionary change of the system of the company. As principal reasons for the necessity we may point out: (1) the S.M.R. Company had been charged with a mission of not only looking after Japan's economic development but also the execution of her political national policy. But since the Manchurian incident, by the appearance of the Japanese Ambassador to Manchukuo, the political mission of the S. M. R. Company has practically been removed; (2) the S. M. R. Company has been made up of three different enterprises, namely, railway, coal mining and iron manufacture, whereas the present milage of the railway under its care is four times as much as it was hitherto; (3) the economic construction, since the incident, has started numerous enterprises of the S. M. R. Company's investing, so that the old system of management has grown improper to effectively function." As regards the contents of the revamping plan drafted and presented to the S. M. R. Company by the Kwantung Garrison authorities, they are extremely simple for satisfying the outsiders on these fundamental points. the gist of which is to be understood as follows: "(1) The management of the S. M. R. Company shall be shifted from the hands of the Overseas Office exclusively to that of the Commander of the Kwantung Army. And under his control will be put the new independent companies to be formed by dividing the present S. M. R. Company; (2) the administration of the railway zone shall be transferred to Manchukuo; (3) and an "economic general staff" office shall be created by amalgamating the Economic Research Association with the Special Service Department of the Kwantung Garrison."

Because of the absence of a concrete plan on the part of military circles, the public voices raised on the affair are still comparatively low but promise to be a main topic as time goes on. Since the question is promoted by military circles, it is considered doubtful whether the oppositions raised in several quarters can stick fast to their original insistence.

Opinions of the Military Circles Appearing in the Press

As to the opinions of the military circle on the question following articles from responsible papers may be cited. November 4 issue of the Tokyo *Nichi Nichi* says, "The Kwantang Garrison authoritie states that in view of the present situation in Manchukuo, the control of the S. M. R. by the Kwantung Garrison is advisable, and that the plan was also endorsed by the late Marshal Muto." The Changchun correspondent of the *Asahi* gives detailed information in its November 4 issue as to the motive of the Kwantang Garrison authorities, but in substance it is no more than the voluble explanation of the need of the military commander's having powerful administrative power over communication means—which constitute the nerve center of the national defense and of more effectively directing the economic construction in Manchukuo, so that the critical time in 1936 may be successfully met. The statement ends in predicting that the plan will be presented at the next session of the Imperial Diet sometime in March next year as an urgent bill. In the November 11 issue of the *Yomiuri* (Dentsu despatch) the following article appears: General Koiso, Chief of the General Staff of the Kwantang Garrison is scheduled to leave for Tokyo to expedite the attempted revamping of the S. M. R. Company. According to him the reconstruction plan will not be introduced into the Diet but will probably be promalgated by Imperial Decree. War Minister General Araki expresses in the Nov. 1 evening edition of the Tokyo *Nichi Nichi* his pretty firm determination as to carrying out the plan in question in comparatively few words, which is not worthy of representation here.

Opposition from the Principal Organization Interested

The Government (*Yomiuri*, Oct. 29): The Government looks upon the S. M. R. reconstruction plan proposed by the military circle as a matter of great importance. It has already intimated its strong opposition to the so-called reconstruction plan of the Kwantung Garrison authorities. The Government maintains that, since Manchukuo has entered the economic construction stage of ordinary times, there is no need for shifting the authority of controlling the economic and communication organs at this time. Besides, the Government is also opposed to the holding company plan on the ground that the division of the S. M. R. Company would invite inconvenience to the Japan-Manchukuo economic and communication control, under the existing circumstances. Thus the Government prefers to maintain the status quo, at least until the outline of the economic construction of Manchukuo becomes distinct.

Staff of the Company (*Osaka Mainichi*, November 3): "It is understood that while at first some of the directors and workers of the S. M. R. Company opposed the plan of the Kwantung Garrison authorities mainly because of the gloomy outlook of the safety of their positions, the difference in views of the management of the railway and the Kwantung Garrison authorities has been removed. Six representatives of the 30,000 exployees of the company called on General Hishikari at Ryojun and submitted a resolution passed by the employees of the company.

Japan Chamber of Commerce of Industry (*Asahi*, *Yomiuri*, *Jiji*, Nov. 16): At the general meeting of the Japan Chamber of Commerce and Industry a resolution was passed which reads as follows: "Since its establishment the S. M. R. Company has done great service to the execution of the national policy, especially remarkably following the outbreak of the Manchurian incident, for which the entire nation is grateful, In view of the recent expansion of its business we consider it proper to find counter measures to meet the situation, such as independent management of collateral undertakings, but introduction of a fundamental change in its basic structure may lead to undermining the present function and characteristic merits. If in this way the reconstruction hampers smooth progress in raising funds for the economic construction of Manchukuo, future execution of the national policy would also be affected, besides throwing a dark shadow upon its 67,000 shareholders and tens of thousand debenture holders. We advise. therefore, that before making out a final program the authorities concerned should make thorough investigation, consulting with the authorities on the affair. Rush reformation is what we are most afraid of.

Overseas Office (Oct. 31, Tokyo *Nichi Nichi*): As to the declared opposition from the Overseas Office, a leading vernacular economic journal, the *Diamond*, criticizes in its November 1 issue (Given further on).

Military Plan of Revamping S. M. R. Is Welcome

(By Seiichi Kojima—Yomiuri, October 23)

On October 17 the military plan of reconstructing the S. M. R. Company was made public in Tokyo papers. This is a question I have been most interested in. In looking over the skeleton program of the military plan I was pleasantly surprised to find it not far from the one I had in mind.

It is not improper to allow the S.M.R. Company a temporary expansion by means of establishing the system of a holding company, with a view to gathering credit at home and abroad and to expedite the execution of the economic construction schedule in Manchuria. But I believe the essential feature of the military plan lies in that it removes the mother company's power of control at the earliest possible opportunity, for if otherwise be the case and the holding company should wield eternal reign, it would cause a frontal clash between home capital and the S.M.R. Company, eventually leading to hampering Japan-Manchukuo economic cooperation. I wish to point out that if the great S.M.R. Company put under its control all the promising natural resources, there would be no room for home capital to wedge in. It would be next to impossible for home capital to enter the holding company unless, through elaborate maneuvers, a connection is created with the management. As a matter of fact the home capitalists will not wish to participate in share-taking; and unless the investors be given the freedom of full display of their managing ability there is little hope for their thriving in Manchuria. Thus, if the holding company's system is to be eternalized no ingenious scheme would be sufficiently powerful to remove the inward rivalry between the industries of Manchukuo and Japan.

Japan-Manchukuo economic harmony can never be accomplished solely by the advance of Japanese capital in the form of loans; inward managemental harmony between the industries of the two conntries is essential. To lead to this it is imperative that the colossal body of the S.M.R. be dissolved into independent trusts, letting each one of them link itself with home fellow industries. People may fear that by disorganizing the S.M.R. Company, the company may lose the channel through which capital is absorbed. My view is diametrially opposed to this assumption.

Complaints are heard that in spite of the military and S.M.R. Company's enthusiastic encouragement to investing in Manchuria, the home capitalist groups show no sign of enthusiasm. But so long as the S.M.R. Company keeps on monopolizing promising enterprises it is only natural that they show no interest in the encouragement. From this point of view I emphasize the merits of the military proposal.

However, this is not all. Should the home industrial circle be left as it is now, it would be stirred up by keen competition which will inevitably follow the dissolution of the S.M.R. Company. As War Minister Gen. Araki once stated, as a preparatory step to perfection of the Japan-Manchukuo economic block the economic control of Japan herself is most imperative.

Military Reconstruction Plan Is Timely

(The Diamond—November 11)

We agree with the reconstruction plan of the S.M.R Company made out by the military circle. In our view the proposal by the Kwantung Garrison authorities as published in the newspapers must be based on the following three points: (1) In order to enlarge the right to guide the Manchurian economic construction under one single control of the Commander of the Kwantung Army, there is need for revamping the concern; (2) the existing departmental organization of the company is unfit for the importation of domestic and foreign capital, (3) there being in Manchuria quite a number of enterprises of national defensive nature, earliest possible reconstruction of the company is imperative for the realization of economic control so as to provide against the national crisis in 1936.

As regards the logicality of the contention of the Kwantung Garrison authorities we find not a few points contradictory. For instance, it is a question to what exten the monopolistic control by the Kwantung authorities assures harmony with the import of capital, while no explanation is given as to why it is that the present system of the company is unfit for absorbing capital. Besides, no concrete illustration is given as to what substantial bearing the reconstruction has on the critical time of 1936.

From a broader viewpoint, however, we accept the military plan as opportune, because it is as clear as day that an economic control organ is indispensable to meet the new situation that has developed since the Manchurian incident.

Opposition by the Overseas Office Is Nonsensical

(The Diamond—Nov. 11)

It appears that there arose strong opposition from two directions against the much-fussed-about military reconstruction plan of the S.M.R. Company; one from the S.M.R. Company's staff and the other from the Overseas Office. As to the former we find some justifiable points, because fundamental changes will be made in the organization of the company, while with reference to the objection by the Overseas Office we cannot but be surprised to look over the reasons on the ground of which it is said that it expresses opposition.

They are said to be as follows:

(1) To reorganize the S.M.R. Company into a holding company no less than three billion yen will be required in cash by the Government, but it is out of the question.

(2) The fundamental question of the company was solved when in the last Diet the question of increasing its capital to Yen 800,000,000 was put an end to.

(3) Since the Government recognized the company as a railway concern, to convert it into an investment company by the reconstruction plan rather means decomposition of its structure.

(4) Seeing that the company is now under the necessity of raising debentures, the attempted holding company system will serve to bottle up the financial paths.

(5) The division of the industries now carried on by the company requires thoroughgoing researches, because some of them are closely linked with each other as in the case of the relation between the Fushun Coal Mine and the S. M. R. itself.

(6) Judging from the enormous reaction of the mere rumor of its revamping upon financial circles, we can well imagine the possible disturbance after the realization of the proposed plan.

(7) In the event of the execution of the plan, not only various Japan-Manchuko agreements, but the system of official organizations concerned would be unavoidable, calling in consequence for extremely complicated political and other proceedings.

One would be surprised at the absurdity of the contentions of the Overseas Office expressed in these seven items. What in the world made it think of preparing Yen 3,000,000,000? Even supposing that it is a typographical error for Yen 300,000,000, what should necessitate the office to hold so large an amount of money is beyond our comprehension. As to the second item, that the company decided to increase its capital, is quite a different question from the solution of the company's fundamantal problem. The basic question of the S. M. R. Company pertains to its structure and not the capital. What the Overseas Office insists on in the third item is nonsensical. What the nation is interested in is the company's undertakings and not its abstract system. The present S. M. R. Company is not what it was after the Russo-Japanese War. We wonder what in the world prompted the Overseas Office to think of such nonsense. As to the fourth, it appears plausible but the fact is the reverse. The holding company financing of the United States endorses the fact. What is maintained in the fifth item may be true to some extent. We regret, however, that the Overseas Office does not recognize the loss to the S. M. R. Company resulting from ignoring individuality of each different undertaking under the existing system. The sixth item, which points out possible disturbance of our financial world following the reconstruction, is another bit of nonsense. Of course a temporary uneasiness among shareholders of the company may be unavoidable, but it will be removed as the essential character of a holding campany reveals itself. We are confident that the execution of the contemplated reorganization plan will eventually lead to the shareholders' benefit. The last item on having to go through complex formalities is little worth taking up here for discussion.

From all these we conclude that the opposition by the Overseas Office is an opposition for the sake of opposition; that is to say, it is an opposition born of profound fear of losing its own important authority.

No Apprehension Is Warranted Though No Increased Dividend Expected

(The Tokyo Kezai Shimpo—Nov. 11)

The reconstruction of the S. M. R Company seems to cast a gloomy shadow in the mind of the public, but the execution of the plan will in our view bring about no change in point of economic and investment value of the company.

The pivotal point of the plan lies in returning to Manchukuo the administrative element held by the S.M.R. Company and in placing each of the railway and coal mining enterprises on an independent status, as in the case

(Continued on page 69)

Germany, Japan, Soviet Russia, and the United States

(From a Chinese Correspondent in Peiping)

WHETHER for better or for worse, the course of international relations in the near future will be largely determined by Germany, Japan, Soviet Russia and the United States.

This does not mean that other major Powers, notably Great Britain, France, and Italy, are playing no part in the present world politics. On the contrary, their influence has been and will undoubtedly long continue to be much in evidence. What distinguishes them from the other four—and for this reason puts them outside the scope of this article—is that being members of the League of Nations, they have committed themselves more or less to a definite and predictable line of action prescribed by the League Covenant and the so-called Geneva method. In this sense their politices form the "constants" in the future outlook of the world whereas the activities of the first mentioned group may be regarded as "variants" owing to the following reasons:

The most obvious point of distinction is that these four are now for all practical purposes non-members of the League of Nations. Due to domestic politics or international position the United States and Soviet Russia have not become members of the League, although they have co-operated with that organization in many important matters. Japan, an original member owning a permanent seat on the Council, virtually forfeited her place by a wantom violation of the Convenant and the 9-Power Treaty. And, recently Germany, too, dissatisfied with the slow progress of disarmament negotiations, has decided to withdraw from the League.

The fact that they are non-members of the League means of course a greater latitude in their formulation of policies. This is not all. Something domestic—something inherent in their present political system—permits a freedom of action and choice of methods on the part of their ruling authorities such as would be difficult, if not impossible, under ordinary constitutional government. I refer to dictatorship, absolute or limited, to which the several governments are subject indefinitely or only for an "emergency" perod. The Nazi movement through its triumph has made its leader, Herr Hitler, the undisputed master of Germany while the Manchurian venture has given the Japanse Army complete ascendency over the civilians. Quite different is the case of Soviet Russia which came under the so-called "dictatorship of the proletariat" ever since the success of the Bolshevik Revolution in 1917. Incidentally the United States has but lately gone in for a trial of financial dictatorship under President Roosevelt. One way or another, the dictatorial system combines with the fact of non-membership in the League to make the four nations, in all their historical greatness and resourcefulness, especially potent factors in world politics to-day.

It may be pointed out that this potency will be just as conducive to evil as to good. In the case of Germany and Japan it has been exploited for distinctly evil purposes. They have thus become, deliberately or not, a threat to international law and order and a menace to peace. On the other hand, the Soviets, aware of their peculiar international position, have been exemplarily prudent in their dealings with other countries. As to the United States, its constitutional and political tradition is a safeguard against headlong diplomacy. Both these later countries have further proved, by their ever closer co-operation with the League and general interest in upholding the post-war world order, mighty bulwarks for peace.

The case of Germany is truly pathetic. It is so because it is as poorly presented as it is strong. Every student with an unbiased mind agrees that Germany has a grievance—genuine and deep grievance—which should be redressed as soon as possible. The sole war responsibility is nowadays regarded as a myth and the wrong done at Versailles in 1919 freely admitted even by the leading scholars of the former Allied countries.

It is for this reason, chiefly, that the ardent nation-wide movement of the German people demanding liberation from the settlement of 1919 and equal treatment by other Powers, has met with general sympathy from disinterested parties and even from far-sighted statesmen of the nations concerned. And this in the face of many instances of violence, bloodshed, and nationalistic excesses. But when Herr Hitler suddenly and unnecessarily banged the door of conciliatory adjustments against other Powers to choose voluntary diplomatic isolation by quitting the League, it was a different matter and international public opinion has reacted to the episode in a strain anything but favorable.

The crisis thus precipitated is great. Europe becomes again an armed camp. War talk, sabre rattling, goose-step, espionage scares, etc., are once more the vogue of the day. The prevailing situation is such as if the Great War with all that it stood for had never taken place.

While Europe is re-alarmed by Nazi Germany, the Far East feels increasingly uneasy about militaristic Japan. Both of these countries are disturbers of the international order. Both have threatened to destroy the post-war peace machinery. Yet a distinction has to be drawn when considering the magnitude of crime—if international delinquency may be regarded as such—in each case.

In spite of the political tension caused by Germany's withdrawal from the League, her legal position is still sound. She has been asking for the equality of armaments in one of two ways, either the Powers disarm in accordance with the disarmament clauses of the Versailles Treaty or Germany be allowed to rearm herself up to their level. Her demands rejected, she decides to part hands with the League. Although the abrupt and headstrong manner of the withdrawal might have given cause for offence, no one could deny that with the attitudes of the interested governments and the psychology of the several peoples remaining as they are, no real and lasting agreement can come out of continued disarmament negotiations and that sooner or later one party or another must call a halt. Furthermore, in her action Germany has up to this moment been technically correct. She has violated no international agreement. She has simply disagreed with the former Allies in the interpretation of part of her obligations under the Versailles Treaty. And this is not the first time that such disagreement has occurred. Nor is it impossible that ordinary diplomacy may yet pick up where the League leaves off.

Japan Is in the Wrong

But the position of Japan is radically different. From the outset to this hour she has been in the wrong. She started by breaking all the important international treaties; continued her course by further breaches of the same; was brought before the dock of world public opinion; and when, failing to convince it that black is white, withdrew from Geneva, in an angry, ugly bluff, to a position of legal and moral isolation, pretending herself to be deeply wronged by humanity's collective ignorance and lack of understanding of the justice of her case. If Japan ever had a case, it was a bad one, and no bad case could but be poorly presented. As a matter of fact, she had none. And the most disturbing thing is that far from there being any sign of Japan retracing her hazardous and eventually fatal steps, Tokyo may before long come under the absolute control of the Army, defy all counsel of moderation and decency, and plunge the world into a situation not unlike that of the summer of 1914.

However, the recent recognition of Soviet Russia by the United States is a strong factor for world peace, and will undoubtedly tend to bring about closer cooperation between China and Soviet Russia.

North China Troops Practically Without Funds

The Peiping authorities are experiencing difficulty in raising funds to meet requirements in North China. The monthly military expenditure in Hopei and Chahar totals $4,965,000, of which $3,500,000 is supposed to be supplied by the Government, $850,000 by the Peiping Municipal Government and $210,000 by the Tientsin Municipal Government and the Peiping-Mukden and Peiping-Suiyuan Railways. All of these have defaulted in their payments with the result that the troops in North China are practically without means of support.

CHINESE GOVERNMENT RAILWAYS

SHANGHAI-NANKING-PEIPING THROUGH EXPRESS.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.05	—	PUKOW	—	11.00
11.14	11.17	LINHUAIKWAN	15.16	15.18
10.19	10.39	PENGPU	15.53	16.13
8.09	8.12	NANHSUCHOW	18.20	18.23
6.00	6.20	HSUCHOWFU	20.12	20.32
4.13	4.28	LINCHENG	22.21	22.36
3.24	3.27	TENGHSIEN	23.32	23.35
1.42	2.02	YENCHOWFU	1.15	1.47
1.14	1.17	CHUFOU	2.14	2.17
23.10	23.30	TAIANFU	4.18	4.33
20.50	21.10	TSINANFU	7.00	7.30
19.22	19.32	YUCHENGHSIEN	8.43	8.53
17.32	17.52	TECHOW	10.17	10.37
15.33	15.48	POTOUCHEN	12.15	12.30
14.24	14.39	TSANCHOW	13.21	13.36
11.10	11.20	TIENTSIN (C)	16.35	16.50
10.00	10.35	TIENTSIN (E)	17.00	17.35
—	7.15	PEIPING	20.48	—

PEIPING-HANKOW RAILWAY.

7.37	—	PEIPING	20.35	—
6.42	7.02	CHANGSINTIEN	21.30	21.10
2.57	3.17	PAOTUNG	1.15	00.55
22.16	22.56	SHIHCHIACHWANG	5.57	6.17
18.03	18.23	SHUNTEH	10.11	9.51
10.16	10.36	SINSIANG	17.45	17.25
7.09	7.39	CHENGCHOW	20.46	20.16
4.14	4.34	HSUCHOW	23.44	23.24
2.18	2.38	YENCHENG	1.45	1.25
23.07	23.47	CHUMATIEN	4.53	4.13
19.14	19.34	SINYANG	8.58	8.38
15.46	16.06	KWANGSHUI	12.25	12.05
10.32	10.37	KIANG AN	17.42	17.57
—	10.20	HANKOW (Tachimen)	—	17.54

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.30	—	HSICHIMEN	12.01	—
13.47	14.07	NANKOW	13.48	13.28
12.24	12.34	CHINGLUNG-CHIAO	15.18	15.08
6.10	6.40	KALGAN	21.12	20.52
22.49	23.19	TATUNG	4.04	3.44
18.29	18.49	PINGTICHUEN	8.00	7.45
12.50	13.10	SUIYUAN	13.30	13.00
—	8.25	PAOTAO	—	18.00

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.01	5.16	KAOMI	23.19	23.30
3.15	3.36	FENGTZU	1.01	1.16
2.48	2.54	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
23.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	7.58	—
18.14	18.16	TSINGCHINGHSIEN	9.29	9.27
16.00	16.15	YANGCHUAN	12.01	11.47
14.48	14.50	SHOUYANGHSIEN	13.52	13.50
12.40	12.49	YUCHIHSIEN	15.35	15.25
—	12.08	TAIYUANFU	—	16.07

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Express R. Through	Express R.	STATIONS DOWN.		Express R.	Through Express R.
ZAHKOU	d.	9.20	18.00	SHANGHAI, N.	d.	9.15	15.15
HANGCHOW	d.	9.50	18.25	JESSFIELD	d.	9.33	15.32
CHANGAN	d.	10.41	19.24	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.56	SHANGHAI, S.	d.	9.25	—
KASHING	d.	11.52	20.39	SUNGKIANG	d.	10.33	16.20
KASHAI	d.	—	21.05	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	11.19	—
SUNGKIANG	d.	13.00	21.54	KASHING	d.	11.53	17.35
SHANGHAI, S.	a.	—	23.00	YEHZAH	d.	12.29	—
SICCAWEI	d.	—	—	CHANGAN	d.	13.02	18.40
JESSFIELD	d.	13.46	22.50	HANGCHOW	d.	13.57	19.35
SHANGHAI, N.	a.	14.00	23.05	ZAHKOU	a.	14.15	19.50

NANKING-SHANGHAI LINE.

STATIONS UP		EXP. R.	THRO. EXP. Zku-Nkg R.	Night EXP. R.	Night Express R. S.	STATIONS DOWN		Thro EXP. R. Nkg-Zku.	D.T. EXP. R.	Night EXP. R. S.
SHANGHAI, N.	d.	8.00	15.00	23.00	24.00	NANKING	d.	8.00	17.25	23.00
NANSIANG	d.	—	—	23.37	—	CHINKIANG	d.	9.25	18.52	1.04
KUNSHAN	d.	9.05	16.05	1.16	—	TANYANG	d.	10.07	10.32	1.56
SOOCHOW	d.	9.50	16.52	2.17	2.06	CHANGCHOW	d.	11.01	20.32	3.11
WUSIH	d.	10.39	17.44	3.19	3.06	WUSIH	d.	11.52	21.24	4.15
CHANGCHOW	d.	11.44	18.39	4.22	4.17	SOOCHOW	d.	12.45	22.20	5.21
TANYANG	d.	12.32	19.34	5.13	5.20	KUNSHAN	d.	13.24	—	—
CHINKIANG	d.	13.16	20.20	—	6.10	NANSIANG	d.	—	—	7.04
NANKING	a.	14.30	21.35	7.00	7.45	SHANGHAI, N.	a.	14.20	23.55	8.00

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

"Opening Resources, Retrenching Outlays"

BY PAUL K. WHANG (汪仲芳)

DR. H. H. Kung, the new Minister of Finance, in defining his financial policy before the representatives of the press, has played on the old harp of "opening resources, retrenching outlays." Those who expect a clear-cut and definite financial policy from the new Finance Minister must be very much disappointed, because these four words, no matter how orthodox their meaning may be, fall short of constituting a policy. At best, they can be only considered as a commonplace business motto which from the time immemorial has been observed by many as a guide in running a business. In recent years, this business motto has acquired political significance, when government leaders including various finance ministers have always quoted this motto in their public utterances about the reorganization of government finance.

As a matter of fact, this motto, because of its generalization, can be applied with equal fitness to any organization or institution, be it political, commercial or philanthropic. This is especally true at the time of business depression when every organization or institution must explore new resources and cut down outlays, so as to enable it to make both ends meet. Even the individuals must observe this motto religiously in the way of balancing their family budgets.

To quote a motto is easy, but to carry it into practice is hard. Most of our government leaders have lost their prestige and popularity among the people, because they have no mind to go any further beyond making empty promises. For years, the government leaders, in discussing government finance, have never hesitated to promise the people to open up resources and cut down unnecessary expenditure. But in spite of their repeated assurance, our government finance is in as chaotic a condition as ever, and the monthly deficit at the present time amounts to as much as $12,000,000.

The real meaning of this four-worded motto should be clearly understood by all who have had a belief in its truth. In opening up resources, it does not mean that we should either resort to domestic or foreign borrowings to finance the operation of our government, or increase the existing taxes for the purpose of drawing more revenue therefrom, or impose taxes of new forms and appellations upon the shoulders of the people, or rely upon public contributions, either voluntary or compulsory, and such an infamous means as the issuance of lottery to raise the needed money for some alleged worthy purposes, or go to such an extent as to dispose of our property rights and inherited treasures at a price.

In the same way, the cutting down of expenditure can not be construed as the fact that we should either slash the appropriations for the education of our younger generations, or close down the government supported cultural or scientific institutions the number of which is very few in this country, or reduce the wages of the men in public service who are thereby compelled to perpetrate evil and fraudulent practices, or to give up all the reconstruction and relief works which are essential for the purpose of rehabilitating our country and relieving the distress of our people.

Close Superision of Officers Necessary

We can open up our resources easily without the necessity of resorting to domestic or foreign loans, or imposing additional burdens on our people, or disposing of our inherited properties, if we can exercise close supervision over the officers who are entrusted with the collection of revenue, stop all leakages while the collections are passing from hand to hand, and have all the taxes collected in different provinces aside those which are earmarked for the provincial use to be remitted to the central government. The root of our financial trouble lies not in the lack of sources of revenue, but in the dishonesty of our officials, the prevalence of evil practices and the seizure and detention of revenue by the provincial governments. Such being the case, our problem, therefore, is not to explore new avenues through which revenue can be raised, but to find means by which we can tighten our control over the present many sources we already possess. Suffice it to say that we can not achieve any success in increasing our revenue by devising and imposing new taxes, if the means of our supervision and the method of their collection are as imperfect and unscientific as they are today.

Likewise, we can materially slash our expenditure without the need of giving up our reconstruction and rehabilitation works, or curtailing our cultural and educational activities, or imposing hardship upon the government employees by cutting down their wages, if we can retrench our military appropriations and abolish all the unnecessary and superfluous government organs. The lop-sided item on our budget is the military expenditure which, according to this year's figure, amounts to 55% of the total revenue. China, in one way, resembles a poor lord of the old days, who irrespective of his meagre income, has maintained a large retinue of servants for no other purposes but his vain-glory. These servants, while literally eating up their master's resources, are yet too selfish to protect his life and properties from the robbers.

It has often been asked why we should spend such a vast sum for armament when we have been left with very little for educational and reconstruction works. Moreover, the mammoth army thus maintained is more personal than national, and can not be relied upon for putting up any resistance against foreign enemies. Moreover, it must be said that in spite of this huge military appropriation, the soldiers are still not regularly paid, because the military leaders have been apt to pocket everything they can lay their hands on. Besides exacting money from the government, many of the military leaders have also enriched themselves by making special assessments from the people.

The increase in our military expenditure is partly attributed to our endless campaign against the so-called Red-banditry. In this connection, it is pertinent to ask whether it will be paid by spending billions dollars for tackling a problem, the solution of which, according to many acute observors, must be sought in the political and economical readjustments. For years, many campaigns have been conducted to exterminate this menace, but all efforts have resulted in no success. The up-shot of the present campaign can not yet be forcast, but judging by reports from many sides, we are sceptical whether the success of the campaign will be as speedy as we have been promised. In view of the rapid increase in the military expenditure, we can not help wondering if there are not some ways more economical and effective in exterminating the Red banditry than the resorting to force.

Huge Army Eats Up Revenues

We can not retrench our unnecessary expenditure, if we have to maintain our huge army and conduct endless campaigns against the communists. Besides the military side of the problem, we must also note that many of our government offices have been created not so much because of their necessity, as because of the fact that the spoils of the government can not be adequately divided among the many contenders. Moreover, many of the government organs have outlived their use and have therefore become superfluous. If these unnecessary and superfluous offices can be abolished, much saving can also be effected in the government expenditure.

In order to cut down our expenditure, we have no more effective means than to disband our huge army, refrain ourselves from indulging in futile warfare, and abolish all the superfluous offices. The savings thus effected will enable us to carry an all the necessary reconstruction and rehabilitation works, to balance our budget, and to put our country in a sound financial state.

We do not know what the new Finance Minister has his mind when he says that he would open resources and retrench outlays. It is yet too early to judge what course he will follow in adopting this motto as his financial policy. But if he really wishes to balance the government budget as he has professed to do, he can not succeed in his effort if he permits the military expenditure to mount as high as it is today.

We, of course, can not expect the Finance Minister to work a miracle if he gets no support and cooperation from other political and military leaders. He seems to be very optimistic over finance matters, when he said that a vast country like China should find no difficulty in meeting the small budgetary expenditure of $800,000,000 as compared with the U.S.$700,000,000 annual expenditure of the Municipality of Greater New York. We

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earnestly hope that his optimism will not lapse into pessism when the military leaders who had pledged their support and cooperation to him before he assumed his office have found it necessary to press him with further demands for money. Let us wait and see what the new Finance Minister can do in leading China out of the present financial difficulties.

Shanghai, Dec. 5, 1933.

England Warns Ireland of Danger of Seceding

Another chapter in the many-centuries-old dispute between the English and the Irish was written Dec. 4 when Mr. de Valera was reminded that if the Free State secedes from the Empire it will naturally forfeit the advantages of association with the Commonwealth. The present dispute is a development of Ireland's refusal about a year ago to pay the Land Annuities. It was stated in the House of Commons Dec. 4 that up to April 1, 1933, the Free State's total default amounted to £4,774,000. For the period April 1 to November 30, 1933, a sum of £2,570,000 was still owing. The total amount collected in duties from the Free State up to April 1 was £2,518,000. From that date to November 25 a sum of £3,054,000 had been collected in duties.

Nationality of Naturalized Korean-Chinese in Dispute

O. K. Yue, general secretary of the Municipality of Greater Shanghai, stated during an interview last week that he had requested the Bureau of Public Safety to investigate the nationality of King Shih, a young Korean revolutionary leader recently arrested by the French police and turned over to the Japanese Consulate. Mr. Yue is expected to file a protest with the local Japanese consular authorities if Mr. King is found to be a naturalized Chinese. Mr. King is being held in custody by the Japanese authorities on suspicion that he had a hand in the Hongkew bombing outrages.

Spanish Conservatives Develop Unexpected Strength in Recent Elections

The recent elections in Spain have demonstrated that the old Monarchist party is still strong. The Rights made a gain of 30 seats, they now holding 237 out of 490. The Lefts made a comparatively poor showing, and have threatened an uprising with a view to preventing Parliament from assembling. Meanwhile a state of "prevention" has been declared throughout Spain in order to enable the government to forestall any uprising.

Kidnapped Harbin Youth Shot Through Head by Captors

A telegram from Harbin Dec. 4 announced that Simeon Kaspe, the Russian-born naturalized Frenchman who was kidnapped on August 25 and held for ransom, is dead. He was shot through the head on November 24 and his corpse was sent to Erhtientantze, a small C.E.R. settlement in the hills 40 miles west of Harbin. The kidnappers consisted of nine men, one of whom is alleged to be a certain Martinoff, who at one time was a detective superintendent in the Harbin police force. The deceased youth was 24 years of age, an accomplished musician, and a former pupil at the Shanghai Public School for Boys.

Hush-Hush Policy Gives U. S. West Coast False Feeling of Security

BY UPTON CLOSE
(Joseph Washington Hall)

(Condensed from a series of articles recently contributed to the Seattle Star)

I am amazed to find, in Seattle, nearest American city to the exploding orient, a city I think of as my city, such lack of comprehension of the situation brewing in the Pacific basin, that I am forced to speak. That situation is as certain to involve our business and property and cultural interests, and our lives, as early heat and warm rains in spring are certain to flood our valleys.

I am yet more amazed to find a definite intent on the part of certain monetary and entrenched interests in this town, and of publications which they influence or control, to keep its citizens in ignorance. I find a very definite policy of hush-hush here about what Japan is doing and what her war lords plan to do—news that is blazoned in the headlines of the papers of Japan itself. I have been told by an editor here, an editor who last June asked me to get him the facts in the orient, that "this is no time to tell these things to the public of Seattle and Puget Sound."

Why? I am not anti-Japanese. Many Japanese who reside in this town, whom I have befriended, know that. Believe me, no American individual or firm or bank can reach into Japan and affect the Japanese people! The Japanese public is fed only what the rulers want them fed, and the alien there has no influence whatever. And there are no "American Societies" financed from America operating in Japan, blowing smoke into the eyes of people who ought at least to have the right of knowing what they are being swept into. There are no American lecturers in Japanese universities or women's club auditoriums undermining the declared policies of the Japanese government! Note how Japan reaches out her hand to control opinion and the press on Puget Sound. I know that an aggregate of some 200 persons—considered by the Japanese key persons—in the administration of public schools, universities and colleges in this region, have received free trips to Japan; trips that could most properly be designated as "Courses in Looking at Things From the Japanese Official Viewpoint." I know that many educators and publicists who have accepted this hospitality have tried, more or less successfully, to preserve their critical faculties and freedom of speech. I know, too, how hard that is.

Recently in the Territory of Hawaii I found great plantation owners using every bludgeon within the grasp of rich men to hush-hush public talk about the one thing which those plantation owners fear the most—the Japanese menace. They are now lobbying in most expensive fashion, trying to tell President Roosevelt and congressmen that "everything is all right in Hawaii." Yet these same rich men demand that the American taxpayer keep the largest army and navy posts under the Stars and Stripes in their islands, to save their necks and property when that which they know will happen, but don't want the average citizen to talk about, does happen. "His not to reason why, his but to pay and die," describes the taxpayers' position.

Japan's Tremendous War Preparations

One paper, in a front page editorial the other day, asked the people of the Seattle region to pay heed to certain statements of Viscount Ishii. This was in connection with a general soft-pedaling of the dangerous disagreement between Washington and Tokyo over Japan's "Asiatic Monroe Doctrine" and all that has led up to it. Now that paper either knows, or ought to know, that Viscount Ishii is the man who officially lied point-blank to Woodrow Wilson and Secretary of State William J. Bryan denying to them the existence of treaties which Japan had made and was then prosecuting at the point of the sword. And whem nailed with his lie, this same Ishii laughed and replied: "I was told to say what I did."

Why are Seattle people advised to listen to this man? Because, I think, he is the spokesman of the great Japanese trusts which have a far greater say about what you people of Seattle are told and are not told than even the most cynical of you have imagined.

Japan is making the most tremendous war preparations ever yet made by a nation in so-called peace time. This is a matter of common knowledge except to those who are dependent for their information on hush-hush newspapers. Also it is a matter of common knowledge that these preparations are not made solely with a view toward defeating Russia or conquering China.

Russia has no navy on the Pacific. At present she has closed and mined her only harbor there, Vladivostok. Yet Japan's inner cabinet, within the last two week, has increased the current year's budget sufficiently to complete a three years' navy building program in one year.

By the time the Pacific naval limitation treaty comes up for renewal, next year, Japan intends to present Washington with a picture of complete parity with our treaty-authorized navy, and of superiority by a wide margin over our actually existing navy. Every munitions and gas factory in the Japanese empire is working day and night, and scores of new plants are under construction.

On my recent visit I found engineers from Vickers of England, Krupp of Germany and Dupont of Delaware assisting the construction of such plants. An area on the Korean coast 30 miles square is being turned into the greatest manufacturing center of death-dealing instruments on earth. Japan frankly laughs at anti-war pacts. Her leaders state openly her decision to put her trust in death-dealing machines and discipline.

These things are in the papers daily in Japan. The only places where they are not common knowledge are places like Seattle, where propaganda and hush-hush influences operate.

It amuses men of the Japanese war party very much, I happen to know, that statements of Japan's intentions made by General Araki, present chief of staff and supreme war-lord, and news of Japan's preparations, cannot be published in one of the lands which may be victims—because such news is "too alarming!"

Japan Wants to Rule Pacific

But there are a lot of Americans who still deserve the name. More than the hush-hush boys realize. These Americans want to know what is the basic position of Japan toward America—the position which lies behind our building $238,000,000 worth of new ships and Japan's building $400,000,000 worth at the present time.

Here it is: Japan believes that the white man has been cock of the walk long enough. For 200 years, now, he has had his hand in on the yellow man's side of the world.

Japan believes that the Pacific ocean has been an American ocean long enough. Or, if we want to remain so longer, that we should show strength enough to keep it.

Japan believes that she is strong enough now to back us down on our ingrained racial snobbery.

Empire Must be Expanded Soon

Japan believes that unless she builds an economically self-sufficient empire in the Pacifie her population, increasing one million each year, will strangulate. That empire must reach from the wheatlands of the Amur valley in Siberia to the rubber and sugar producing islands of the East Indies. It must include Australia, at least economically.

Japan has proved to her satisfaction that China, morally unsupported, will no longer endeavor to stop the creation of this empire. She has been given adequate demonstration and assurance that neither Great Britain nor any European continental nation will seriously undertake to stop it. No navy from the Atlantic or the Méditerranean would think of attempting to fight Japan in the Pacific. When Japan walked out of the league of nations she thumbed her nose at all that.

Japan Will Close Her Trade Routes

There appears in *Saturday Evening Post* an article by myself entitled, "Trade Follows the Flag—Home." It will tell you, with figures, what Japan is already doing to the world's foreign commerce, and indicate what she will do to the commerce of Seattle once her Asiatic Monroe doctrine has closed U. S. trade routes to the markets of Asia and the East Indies.

If that does not wake up the big boys in Seattle who are blinded by a few temporary orders, you may write them off as the same sort of morons who thought they would

get rich, not long since, out of lending money to South America and Europe. They always look out for Number One, however. Now they are advocating a big navy to protect their necks and property—at the same time that they do not wish the reason for it told the public. That might spoil a few last-minute orders.

The only thing that will relieve us—for the time being—is complete submission to Japan's demand that we get back behind Hawaii and stay there and turn the rest of the Pacific over to her.

The whole history, the whole trend of this nation that made this coast, this port, Alaska; the whole present policy of our government and state department, are set against this. Yet we ought to either do it, or face the consequences of not doing it. And prepare ourselves against those consequences. Personally, if it were not for the "American" feeling in me—if it were not that my father came from Maine and helped build this state—it would matter little to me. I can live, have lived, most enjoyable, under Japanese rule. I would rather kow-tow to a white-gloved Japanese policeman than a usual local politician.

Coast Cities at Mercy of Japanese Navy

What I want my people here to do is to look and think not hide. I don't hate Japan. I do hate hush-hush. Now Japan would never annex this coast. She would never try to conquer or hold it. But she could strafe it terribly. You are utterly defenseless and she knows it. At any moment, without declaration of war, and Japan has never declared her wars, believing it better to "sock" first, Japan could wipe out these cities. If she does not do it, as she did Shanghai, it will be because she feels it politically and strategically undesirable, that's all. You are at the mercy of the war clique which destroyed defenseless thousands in Shanghai and Shanhaikwan. And, wake up, my people, it is *you, here*, it is Puget sound, that would get the first strafing—*not* Hawaii, as you have fondly assured yourselves.

"Hail Mr. Rea---He Kept Us Out of War"

(Japan Chronicle, Kobe, Nov. 25)

For many years preceding 1919, George Bronson Rea at the editorial desk in Shanghai used to thunder against Japan and call her every hard name he could think of, especially in regard to her dealings with China. But at the Paris Peace Conference, whither Mr. Rea went to advise the Chinese delegation, he saw a great light, and ever since then Japan has done everything right in Mr. Rea's eyes and China everything wrong. The reason he gave for his change of view was that if he kept on as he had been doing there would be war between the United States and Japan, and he must save his country from such a calamity. Since the establishment of Manchukuo he has become an adviser to the new State (for which he allegedly receives $15,000 a year) and has been sent to Washington to look after its interests. He still harps on the coming war between America and Japan, however. A *Reuter* telegram from Washington says:

> George Bronson Rea, representative of Manchukuo in the United States, to-day issued a warning of the possibility of the United States being involved in a war in the Pacific as one of the results of its economic and financial ties with Russia, if the loans and credits it grants to Soviet Russia are used to further preparations against Japan.

There is also a campaign against furnishing China with money, because that will also be used for making preparations for war against Japan. Apparently the danger of having weak neighbors has given way to the danger of having moneyed neighbors. National defence is a terrible responsibility: but the Washington Government will be able to write on Mr. Rea's tombstone, "He Kept us Out of War."

Britain Follows American in Controlling Industry

The British Government is making several experiments in controlled capitalism somewhat on the same lines or those followed by President Roosevelt. Major Oliver Stanley, Minister of Transport, states that more government interfernce in industry is inevitable. The old times have gone, he asserts, and Britain is faced with conditions in which old theories are no longer valid. The latest development is the creation of a milk marketing board, now partially functioning and operating fully from January 2, to deal with the entire milk output of England and Wales—all under government supervision.

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VACUMATIC

The Changing Significance of Manchuria

P. C. KUO (郭斌佳)

The following is a translation of the principal points of a lecture delivered at the National Wuhan University, November 6, 1933.

TWO years ago, almost to this day, war was going on along the Nonni River between the Japanese invaders and the troops of General Ma Chan-shan, then Acting Governor of Heilungkiang province. If the ebb and flow of public opinion were a good commentary on the trend of events, it would seem that Manchuria stands to us in an altered position today as compared with the situation two years ago. You must have noted that during the past six months or so the majority of our people ceased to talk about "determined resistance" or "recovery of the lost territory at all costs" or such similar phrases. Compared with the situation in the winter 1931 there is a conspicuous absence of the spirit to fight against Japan.

Does this change of psychology signify anything? If so, what does it signify? A philosopher or a future historian will probably say that it represents a tacit but popular recognition that Manchuria is gone for good. None of us is willing to concede the sad truth, but there is no disputing the fact. More recently, we heard a great deal about a possible Sino-Japanese rapprochement. This is, in my opinion, little more than a foul deception. It has been argued that during the past two years Sino-Japanese relations had been growing from bad to worse, that the League of Nations had proved itself impotent in stopping the trouble, and that it is high time for China and Japan to resume their normal and friendly relations. But it should be noted in the first instance that there are almost insurmountable difficulties in the resumption of friendly relations between the two nations. The whole question depends upon the policy of Japan toward China. So long as she follows her traditional policy of aggression, there can never be a rapprochement, even though China is willing to compromise with her. Japan seized Manchuria from China by force. She has created a puppet state therein, and is intent upon holding it forever.

Manchuria Is Definitely Lopped Off

The truth is that Japan knows, just as China senses, that Manchuria has definitely been lopped off from China. She knows full well that there can be no rapprochement between herself and China. But she made the gesture of such a move in order to divide the public opinion in China and to alienate the sympathy of the world for her. The supreme object of Japan is to avert the wrath of the world so that she may hold Manchuria and possibly annex it in future.

Up to February, 1933, the Manchurian question remained primarily a Sino-Japanese issue. It was during this period that Japan carried out her military conquests in Manchuria, and successfully uprooted the Chinese regime there. As the Japanese themselves declared at the time, the Manchurian question was strictly a question for Eastern Asia, meaning thereby that it was of no more than insular importance. It is true that the question immediately went before the League of Nations, that China appealed to the same body against Japanese aggression, and that the consensus of world opinion was unfavorable to Japan. But nothing of a drastic nature was done to her. Japan the aggressor, just like China her victim, remained and received treatment as an honorable member in the family of nations. This state of affair came to an end in the month of February, 1933. On the 24th of that month the Special Assembly of the League adopted the historic Report on the Sino-Japanese Dispute. The Report, adopted by a vote of 42-1, was an incisive verdict returned by a world-community on the conduct of Japan in Manchuria. It holds, in Part III, that the world has all along regarded Manchuria as an integral part of China under Chinese sovereignty; that to cut it off from China creates "a serious irredentist problem likely to endanger peace;" that the Assembly cannot regard the Japanese military operations in Manchuria as measures of self-defence; and that the governing power in "Manchukuo" rests primarily in the hands of the Japanese officials and advisers.

From that time on to the present day, Japan's concern about Manchuria vis-à-vis the world gave rise to a period of prolonged diplomatic frenzy. In the wake of her military victories Japan propounded her time-honored Asiatic Monroe Doctrine. Assuredly it is not a doctrine for domestic consumption in the Far East, but a challenge to the rest of the world. Japan argued that upon Manchuria alone rests the hope of her national security; that any question arising in Asia is to be settled by the Asiatics without any interference from abroad; and that geographical propinquity creates for her numerous special interests in Manchuria. Manchuria, she maintains, is her "life line"—since its resources are necessary for her economic existence. In the meantime, the Open Door Doctrine was ingeniously twisted to mean, not equal opportunities for participation in commerce, but "the removal of the economic insecurity of some peoples by extending to them the opportunity for free access to the world's resources." In a more sweeping manner, General Araki expressed the same idea when he said that since mankind must live, a rich country has no right to deny the use of its resources to its neighbor who is insufficiently endowed by nature.

In the events which transpired during last summer, there are two contending forces to be noted. In the first place, Japan doggedly believed that to defy the League and the world could bring no material injury to herself, and that the test of her strength should rest with militarism. This accounted for her headlong drive to consolidate her position in Manchuria, and the Asiatic Monroe Doctrine referred to above. But she quite frankly ignored the other factor with which she had sooner or later to reckon, namely, the gathering momentum of world opinion against her. Before Japan withdrew from the League, there was already much talk about an economic boycott against her goods as a punishment for her invasion of Manchuria. The idea was never put into effect. But during the past six months or so many nations of the world instituted a virtual economic bloc against Japan, with Great Britain in the lead. India, Australia, and Egypt boycotted Japanese goods either by terminating their commercial treaties with Japan or by raising their tariff walls. Belgium too instituted restrictive measures on the import of Japan goods. France and Germany, no less than Great Britain, abhorred the competition of the Japanese in the market for woollen products. All these facts go to show that Japan was steadily losing what sympathy she might have otherwise received from the powers of the world, while her warlords and chariots advanced on to Jehol and south of the Great Wall.

But diplomatic isolation and economic depression could not be withstood for a long time. By the middle of September, the international horizon of Japan became increasingly gloomy. The boastful promises of national glory made by Count Uchida were as remote as ever.

Events of vital importance have been unfolding themselves since September 14, when Mr. Hirota became the Foreign Minister of Japan. At first the policy of the new Minister had three outstanding aspects: positive pressure upon China to force her recognition of "Manchukuo;" similar attitude toward Russia to complete the protracted parley on the C. E. R.; and conciliation with the United States. According to press reports, Mr. Hirota said that most of the questions pending between China and Japan had arisen on account of Manchuria. If China took "correct cognizance of Manchukuo and of the existing situation," the relationship between the two countries would certainly become better. It is obvious that the new Foreign Minister of Japan would not retract or compromise with China on the question of Manchuria. Contrasted with this "positive" policy toward China, Mr. Hirota would conciliate with the United States. Upon coming to his office, he quickly made known his intention to initiate a non-aggression or arbitration pact with the United States.

But soon afterwards, while little tangible result had yet been obtained of Mr. Hirota's diplomacy in China and the United States, the Russian relations on the C. E. R. grew from bad to worse.

The situation suddenly took a serious turn on October 10, when Moscow published the secret documents alleged to be reports made by the Japanese ambassador to "Manchukuo," Mr. Hishikari, to the Tokyo Foreign Office, in which the seizure of the C. E. R. by force was planned.

The Russo-Japanese war-flare may be rightly regarded as the initial stage in a great international drive against Japan on account of her ambitions in Manchuria. The conflict of policies regarding Manchuria was at the bottom of the question, with Japan and the rest of the world representing two contending forces antagonistic to each other. Ostensibly Japan had gained the upper hand in the months immediately following her withdrawal from the League; but in fact world public opinion had been mobilized with the result that one day the patience of the world powers would be exhausted and their tolerance come to an end. The Russian revelations of Japanese secret documents mark the opening of such an era of effective world opposition against Japanese aggressions in Manchuria.

The American-Soviet rapprochement is a warning to Japan in Manchuria. If the adoption of the Assembly Report in the League of Nations on February 24 marks the crystallization of world public opinion against Japan, the present turn of American-Soviet relations will inaugurate the alignment of world's great powers against her. The two events are the milestones in the latest developments of the Manchurian question.

New Code System Goes Into Effect on January 1

On the first of the New Year, new code regulations go into effect both on radio and cable messages throughout the world. The principal difference is that whereas under the old rules ten letters were allowed in a code word, they had to be pronouceable according to the rules of pronunication of one of many European languages. The new rule is that no code word shall be over five letters in length, but simultaneously all restrictions on pronunceability have been abrogated,—that is, one may send a codeword reading AAAAA or ZZZZZ, and with every possible combination in between—which is to say that the range of transmutations is 11,881,376, for a five-letter codeword. Many of the codes in Shanghai are based on the ten-letter system, but that will not work any particular hardship, as those firms who have such codes need only inform their correspondents that hereafter the words, although sent in pairs, are to be read together the same as before, with the result that the permutations possible in a ten-letter word are greatly increased. Whereas the possible permutations of figures to ten places amounts one hundred thousand times a hundred thousand, or ten thousand million (10,000,000,000), with the restrcition on pronunciation removed, the possible permutations on two such 5-letter words read as one word is 26 (the number of letters in the alphabet raised to the tenth power—a figure so stupendous as to be almost unbelievable, but which proves on calculation to be more than one hundred times a million times a million—to be exact, 141,167,095,653,376. This range is greatly in excess of the old system, when words had to be pronounceable. The principal feature of the new regulation is that the cost of code messages will be increased by twenty per cent. Letters in code are to be preceded with the letters CDE, which are not charged for. An added expense under the new system is that plain words mixed with code words will be charged as two code words, provided they contain more than five letters.

An Anomaly in Steamer Fares Between Shanghai and Dairen

One of the remarkable features of the fares between here and Dairen over the Dairen Kisen Steamship lines is that the rates from Dairen to Shanghai are very much cheaper than those from Shanghai to Dairen. For example the first-class fare from Shanghai to Dairen is Mex $90, while in the opposite direction that is from Dairen to Shanghai, the fare is only Yen 60, or at present exchange, about Mex. $55. Dairen, it is to be noted, is the gateway to Manchuria. It would appear that unlike the practice in some other countries the Japanese are giving special privileges to the people who wish to get *out* of the country, rather than to those who wish to get *in*. The system is the very opposite of that in vogue in Australia in previous years. There, in order to encourage emigrants to go into the interior of the country, the railways fxed the fares inward at very low rates. To come back cost about three times as much!

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University of Nanking Controls China's Famine Relief Fund

BY CHARLES E. PATTON

THE China Famine Fund Committee dates back to the famine of 1920-21. Of the U.S. $6,000,000 raised in the United States for that famine there was left an unused balance of a little over U. S. $1,000,000. The American Committee for China Famine Fund of New York which had raised the funds was sometimes known as the "Lamont Committee" after its chairman, Thomas W. Lament; at times as the "Harding Committee" since its members were appointed by President Harding. Questions naturally arose as to the disposal of this surplus. These questions were reduced to two by this committee. Should this surplus be used for famine relief or for famine prevention? The latter was chosen. Should new machinery be set up for the distribution or should existing machinery be used? Again the choice was the latter. Two universities, the University of Nanking and Yenching University of Peking, were selected as the agents through which the surplus should be administered for the study of famine causes and the promotion of preventive measures.

In order to obviate later difficulties or criticism notice was sent by the committee to every known donor informing him of the projected disposition of the unused balance. Furthermore, in order to be perfectly safe a test case was put through the Supreme Court at Washington. The Court approved of the plan and an agreement was drawn up by the authority of Court governing the administration of the fund. The National Savings and Trust Company of Washington, D.C., was made trustee and has for ten years cared for the investment.

This agreement involved the setting up in China of a committee of five principals and five alternates. The principals and two alternates were appointed by the American Minister to China. Dr. Jacob Gould Schurman, from among American citizene engaged in business or in other wrok in China not under mission or church auspices; two principals and two alternates were appointed by the Committee of Reference and Counsel of the Foreign Missions Conference of North America; and one principal and one alternate were selected by the four principals so appointed. This newly constituted China Famine Fund Committee was empowered to supervise the administration through the two universities of these funds for a period of ten years terminating March 13 1933. Authority was vested in the committee to recommend another agent or agents in case either or both of the universities should fail in carrying out the terms of the Agreement.

The members originally appointed were Messrs. C. R. Bennett (alternate, Robert Coltman). J. Harold Dollar (alternate Arthur Bassett), C. F. Patton (alternate J. E. Shoemaker), F. T. Kenney (alternate F. Rawlinson), and H.D. Edwards (alternate J. B. Powell). At the end of the ten year period the committee consisted of Messrs. A. Bassett, C. R. Bennett, C. E. Patton. W. A. Main and J. B. Powell as principals; Messrs. O. G. Steen, J. E. Shoemaker, F. Rawlinson and W. W. Lockwood as alternates. Messrs. Bennett and Bassett each in turn served as chairman of the committee. Mr. Patton served throughout the ten years as secretary.

The budgets of the two universities, together with their programs for development of agriculture and forestry, were annually submitted to and approved by the Famine Fund Committee.

Campaign for the Relief of Famine

After all legal charges and incidentals were adjusted there remained the sum of U.S.$917,474.13. From this total the sum of $100,000 was reserved for a term of five years as a nucleus to start a campaign for the relief of famine in China should such a campaign be considered dseirable. This sum was used for launching the campaign of 1928. The remainder, U. S. $817,474.13 was apportioned approximately two-thirds to the University of Nanking and one-third to Yenching University. The two universities, with the approval of the Famine Fund Committee, adopted a policy which would leave them each an endowment at the end of ten years for carrying on indefinitely the work built up during that period. During the ten year period each used the interest accruing year by year and to a limited extent only encroached upon the initial principal. This resulted in an endowment of $459,194.26 for the University of Nanking and $187,545.28 for Yenching University.

The work at the University of Nanking was largely developed under the direction of J. H. Reisner, who is now Executive Secretary of the Agricultural Missions Foundation in New York, J. Lossing Buck, head of the Department of Agricultural Economics at the University, and K. S. Sie, Dean of the College of Agriculture and Forestry of the University of Nanking.

Property and equipment have been acquired at Nanking and Peiping to the following extent:

UNIVERSITY OF NANKING	(Mexican Currency)
Land	$110,752.57
Buildings	160,452.63
Equipment (Field & Laboratory)	36,383.22
Library books	27,001.85
	$334,590.27
YENCHING UNIVERSITY	(Mexican Currency)
Land	$50,969.43
Buildings and Equipment	13,374.97
	$64,344.40

As to results, it is difficult to make a comprehensive statement without burdensome details. Three things at least should be specifically mentioned any one of which is considered of such value as to warrant the total expenditure. The first is the work done in crop improvement. In the past few years, twenty-eight promising varieties or strains of wheat, kaoliang, soybean, barley and millet were produced. from which only fourteen best varieties have been chosen for distribution to farmers. About twenty tons of these improved seeds are being distributed to farmers each year. The demand for the improved seed is so great that only about one-third of the amount can be supplied each year. Under the very large experimental station at Nanking are twelve smaller cooperating experimental stations located in seven provinces, whose work is to test and to produce improved varieties of crops for local distribution as the crops are usually localized, that is, their regional adaptability is rather small. The breeding methods for different crops have been standardized and are being used by the plant breeders in different, parts of China. An important factor has been the cooperation of professorsfrom the Department of Plant Breeding of the New York State College of Agriculture at Cornell University.

The second has been the development of a very simple method of controlling certain smuts of cereal crops, especially wheat, millet, kaoliang and hull-less barley. It has also been found to be an effective control against grain weevil and moth—which cause great damage to stored seed grain.

Control of Erosion Studied

The third is in connection with an understanding of causes of soil erosion and a means for widespread control. Especially in North China control of erosion is found not to be contingent upon reforestation, but upon revegetation; and growing out of this is a new problem, that of locating suitable plants with which to revegetate the great areas of erosion in North China. Cooperation has already been established with the United States Department of Agriculture and the United States Forest Service in a plan to secure seeds and plants from arid and semi-arid areas of the world, for experimental plantings in China and the United States.

Last, but not least, is the training of students and rural workers. The College of Agriculture and Forestry at Nanking has sent out 303 graduates from the regular college course and 289 graduates from the Rural Leaders' Training School. In addition to this, more than a hundred station directors, technical men and school teachers have attended either the Summer or Winter Institutes of Crop Improvement which are conducted for the purpose of introducing standard methods of crop improvement throughout the country. The present limited enrollment is 209 students in the College and 78 students in the Rural Leaders' Training School.

By an agreement between the two universities made in 1930 and with the approval of the China Famine Fund Committee, the work carried on by Yenching University was placed under the direct supervision of the Agricultural Department of the University of Nanking, although still conducted under the name of Yenching University. This, in effect, ultimately transfers the combined endowments, amounting to U. S. $646,739.54, to the Board of Founders of the University of Nanking in trust for the purposes specified in the original agreement. In accordance with the Agreement, the China Famine Fund Committee has gone out of existence and the absolute control of the fund, both principal and income, is now vested in the University of Nanking.

JAPANESE PRESS FAVORS REVAMPING S. M. R., BUT THE PUBLIC WAVERS

(*Continued from page 59*)

of iron manufacturing that has already become independent. The present railway department of the company will succeed to the Dairen head office and carry on business under the firm name of the Manchuria Railway Company, and the coal section will amalgamate all the fellow undertakers in Manchuria and carry on business with a capital of Yen 150,000,000 (Yen 100,000,000 being borne by the Fushun Coal Mine), while the S. M. R. Company will own shares of these two concerns as a holding company.

This we believe is the sanest view on the situation, but there is raised violent opposition among the staff of the company and at the Overseas Office, and we cannot foresee where the affair will settle down. However, according to the military reconstruction schedule we find no reason for the shareholders' holding a pessimistic view. Though it may be that a strong power of control by the military hands may be felt after the reorganization, yet, in view of the need for gathering capital, it is unthinkable that the military circle will make an unreasonable intervention.

Statistics indicate that the business result of the Company has of late years been improved noticeably, but since it has entered the second period of construction, *i. e.* the period of investment, a minute survey of the figures shows that there will for sometime be no increase in dividend, regardless of the structure of the company. Taking all there reasonings into account there is no need for picturing a gloomy future for the company.

U.S. A. Now Sells More Raw Cotton to Japan Than to England

Japan in the last quarter of the year has surpassed the United Kingdom in the purchase of American cotton, according to a U.S. Department of Commerce report dated Nov. 25.

A suggestion that Japan was buying cotton for war purposes, is deprecated in Washington. Japan's cotton purchases have been almost entirely high grade cotton, used in the manufacture of clothing; cotton for munitions is of inferior grades.

China Buys Little Cotton From U. S.

A New York message Nov 29 stated that Chinese Government purchases of cotton are in extremely small proportions. Up to October 28, only 52,000 bales of cotton had been shipped to China, which was 9,000 bales less than those which went to China during the corresponding period in 1932 when there was no Soong loan purchases to augment the demand. The Farm Administration in Washington however, reported that exports of wheat were making a better showing. The report stated that the North Pacific Wheat Export Association had exported almost 7,000,000 of the 35,000,000 bushels of surplus northwest wheat. Cotton exports, however, were extremely unsatisfactory. The 1933 shipments of cotton to China compare most unfavorably with 1931 when 244,000 bales were shipped across the Pacific during the same period. However, this was admittedly an abnormal year insofar as Chinese buying was concerned.

Hankow-Nanking Steamer Service May Be Speeded Up

For the purpose of speeding up travelling between Hankow and Nanking the Navigation Bureau of the Hupeh Provincial Department of Reconstruction has made a recommendation that the China Merchants Steam Navigation Company should operate a service for passengers exclusively between Hankow and Nanking, in addition to the regular service. According to the proposal, high-speed vessels of shallow draft would be used for this special service.

Germans Lose Soviet Trade---Concentrate on China

One of the effects of the Hitler regime is to cut down the volume of business with Russia. As a result German traders are more than ever exerting themselves to increase their trade with China. German exports to China dropped from 185 million marks in 1929 to 81 millions in 1932, but Germany's share in China's import trade increased from 3½% to 6½%, and in 1932 Germany, for the first time, sold more to China than to Japan—partly due to the Chinese boycott of Japanese goods.

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Fukien Sympathisers and Red Suspects Arrested in Hankow

(From the Review's Hankow Correspondent)

The Fukien Revolt has occasioned quite a tempest in the Hankow tea cup. The Kuo Min Tang last Thursday in Wuchang assembled 50,000 at the huge out-door mass meeting. Hundreds of schools in the Wuhan cities, were represented. Speeches denouncing the Fukien rebels were made by the chairman of the Hupeh Kuo Min Tang, Wang Sze-liu, and by other important officials. Over 130 young men, sympathizers with the Fukien rebels or with the Reds, have been arrested during the past fortnight. The Hupeh Pacification Commissioner, Gen. Ho Cheng-chun, and Wuhan Gendarmerie Commissioner, Gen. Yen Peng, are determined to keep order here and have sent a tele gram to the nation denouncing the Fukien rebels, On Dec. 4, another huge mass meeting is being held in Hankow, under the Chairmanship of Gen. Ho Cheng-chun. Gen. Chang Chun, chairman of the Hupeh provincial government, is still in Kiangsi conferring with Gen. Chiang Kai-shek. In Hankow the newspaper, *Kung Len Erh Pao*, has been suppressed and its manager placed under arrest because of his outspoken sympathies with the Foochow rebellion. Otherwise the situation here is quiet, Recruiting is still going strong. Troops are being trained in Wuchang and sent down river to Kiukiang and to the fr ont, whereby Gen. Chiang Kai-shek has need of them.

The Peking-Hankow railway is busy transporting troops from the north to the fighting zone. Generals Wang Fu-lin and Wang Shu-han, former Feng-tien army leaders have passed through Hankow with their men and equipment on their way to Kiangsi to assist Gen. Chiang Ka.-shek.

With the truce between the People's Government in Fukien and the Communists in Fukien-Kiangsi, the latter have been in a stronger position than ever and have been launching a formidable offensive on the Kiangsi front. The troops of Gen. Chiang Kai-shek have been suffering some reverses, and have found it expedient to withdraw from their positions in some localities. In the heavy fighting near Tayuankwan the Reds were repulsed only after a bloody encounter, having lost 3000 dead or wounded. The Communists now hold Lichuan, Nanfeng, Nancheng, Tsehsi, Chienning, Ninghwa, Kwangcheh, Shaowu, Sungan, on the Kiangsi-Fukien border.

Reconstruction Starts in Kiangsi

In spite of the difficult position of Gen. Chiang Kai-shek, he is going ahead with a program of reconstruction in the areas under his jurisdiction. Recently he allotted $100,000,00 to Gen. Hsiung Shih-huei, chairman of the Kiangsi provincial government, to be employed as follows:

1) Political centers to be established at Hsinfeng, Lungkang, Tengtien, and Fengkang in eastern Kiangsi.
2) Continuing of rehabilitation services.
3) Reorganization of peace preservation corps and militia.
4) Fortification of areas captured from the Communists.
5) Houses for refugees from Red areas, Nancheng-Nanfeng section.
6) Establishment of long distance telephone lines connecting Nanchang with Chekiang, Fukien, Hunan, Kwangtung and Anhwei. Work on the highway connecting Changshu, Kiangsi with Meiling on the Kwangtung border is being pushed and should be completed in a not too distant future.

Ho Lung Penetrates Szechuan

Red commander Ho Lung, with headquarters in Lichuan, western Hupeh, has been crossing over the line into Szechuan, on the southern bank of the Yangtze. This is of great importance, since it coincides with the occupation of the vast area just north of the Yangtze by Reds or Red-sympathizers or disaffected government troops. This area is bounded on the southeast by the Yangtze river, from Chungking to Wanhsien, on the northwest by the Kialing river and its tributaries Ku ho and Pa shui, the chief cities being Chungkiang, Hochow, Kwanganchow, Chühsien, Suiting. Even though Suiting and Hsuanhan, cities 60 miles northwest of Wanhsien, have been reported recaptured from the Reds by Gen. Wang Ling-chi, and Yingshanhsien by Gen. Yang Sen, still the Communists continue to menace the peace of the whole province. The main question is whether or not the troops will remain loyal to the Nanking government.

Liu Hsiang Leads 100,000 Against the Reds

Gen. Liu Hsiang is speeding up communications in his province, in order to keep in better touch with the military and political situation. Airmail service between Chungking and Chengtu is thrice a week. He has given orders to his various subordinates to launch a united counter-attack on the Reds all along the line, even though these have been violently opposed by the fierce forces of the Reds, under the Communist Commander Hsu Hsiang-ching. No doubt the Fukien Revolt will sooner or later have an effect on the issues also in Szechuan. Should disaffection set in, the smaller groups would be easy picking for the Reds. However, if Gen. Liu Hsiang, Commander-in-Chief of all the Bandit Suppression forces in Szechuan, should be able to unify the troops nominally under his hand, he would have dealt a most powerful blow to the Red menace.

The situation in Kweichow province is rather disturbing. The chairman of the provincial government, Gen. Wang Chia-lieh, is being hard pressed by his opponents, and has had to give up the capital city.

Gen. Ho Chien, chairman of Hunan Provincial government, has flown to Lochang, Kwantung, to meet Gen. Chen Chi-tang of Canton, and to confer with him in regard to their mutual stand against the Fukien rebels. Apparently they have agreed to stand by the Nanking regime and to throw their weight against the Communists.

Revolt in Southeastern Hunan

Until recently regiment commander of Hunan Provincial Peace Preservation Force, Ho Ching-cheng has started a revolt against the Hunan provincial authorities by organizing the socalled All People's National Salvation Army and hoisting the old ensign, the five-bar flag of China. Seven districts in southwest are affected, Yuanchow, Chingyang, Hwanghsien, Hweitung, Chinghsien, Suining, and Tungtao. Gen. Ho Chien has ordered Gen. Li Chiao to deal with the rebels.

Hankow, Dec. 4, 1933.

Manchukuo Opium and the Question of Recognition

(From the Washington, D. C. Star, Nov. 5)

In the League of Nation's Opium Commission at Geneva last Friday, a representative of the State Department, Stuart Fuller, took occasion to make it plain that the United States still looks upon the "independent" state of Manchukuo as "the three northeastern provinces of China." That proclamation of the American viewpoint toward Japan's puppet was, however, purely incidental to the greater issue at stake, in this country's opinion, viz., that in defiance of Chinese law, there has been established in Manchukuo, for revenue-producing purposes, an opium monopoly, which constitutes "the largest single venture ever undertaken in illicit traffic in narcotics."

The State Department spokesman declared that "the laws and regulations set up under the present military occupation in Manchuria are not only in contravention of Chinese law; they afford the most inadequate control and the local illicit traffic in opium is reported as constantly growing. Exploitation of Manchuria as a base for international illicit traffic will inevitably follow the introduction of Persian opium into this country."

The League commission was informed that the United States views these developments with alarm and believes that they involve "insidious attempts to evade existing treaties and to undermine the present international control of narcotic drugs." It appears that the profits of the Manchukuo opium monopoly have been mortgaged as security for a loan, a circumstance, the State Department representative said, "which warrants the supposition that Manchukuo purposes making opium profits as great as possible."

A quaint touch to this distressing picture is supplied by the fact that propaganda for opium smoking is scattered in Manchukuo from airplanes, while the paper money of the government is adorned with "a beautiful poppy in full bloom."

Opium, Japan may be doomed to discover, is the drug that will prove poisonous to all hopes she may entertain of persuading the rest of the world to recognize Manchukuo.

Gen. Ma Chung-yin Captures Sinkiang Capital from Rival Leader

The situation in Sinkiang (Chinese Turkestan) experienced another turn-over early this month, when the Mohammedan troops under General Ma Chung-yin captured Tihua, Capital of Sinkiang, from the control of Gen. Sheng Shih-tsai, Border Defense Commissioner of that province. Gen. Sheng has warred against General Ma for the past several months for the mastery over Sinkiang, but the tide of the war has surged to and fro without any decisive result. In the latter part of last month, Gen. Sheng suffered several heavy reverses and his strength has been so weakend that he was forced to abandon Tihua in face of the advance of the Mohammedan troops of Gen. Ma.

According to reports received during the week at Nanking, the departure of Gen. Sheng from Tihua has been confirmed and the city is under complete control of General Ma Chung-ying who has just arrived from his base, Hami, in eastern Sinkiang. It is learned that General Liu Wen-lung, the Chairman of Sinkiang, who is on good terms with General Ma, will remain in his post to assist the Mohammedan Commander in rehabilitating affairs in the province. The Manchurian troops formerly under command of Generals Su Ping-wen and Li Tu are reported to have also declared their support for Mr. Liu.

General Ma has issued a circular telegram, denouncing in vehement terms General Sheng for creating disturbance in Sinkiang and causing suffering to the people. General Ma has also submitted a report to the Government on the defeat of General Sheng and petitioned for instructions in dealing with the situation. In view of the sudden change in the situation in Sinkiang it is learned that the Government is considering dispatching General Li Tu to Sinkiang to resume command of his troops there repatriated from Russia. The Government has wired General Ma of this intention and if General Ma raises no objection, General Li will be instructed to proceed to Sinkiang immediately. The same proposal was made to General Sheng Shih-tsai when he was in ascendency in Sinkiang, but was rejected.

The failure of General Sheng in upholding his position in Sinkiang and his defeat at the hands of the Mohammedan troops are attributed to two reasons. First, the Manchurian troops, who have been supporting him in his campaign against General Ma, have now joined General Chang Pei-yuan, Garrison Commander of Ili, Western Sinkiang. The White Russian units of the Provincial Forces also withheld their support and threatened to take independent action. They are now demanding Gen. Sheng's retirement.

The Ministry of Communications announced that, beginning from Dec. 1, a substantial reduction in rates and greater speed in transmission would be effected for messages to Tihua, capital of Sinkiang. Since the interruption of telegraph lines to Sinkiang, all messages to that province have had to be sent via the military wireless station at Taiyuan, in Shansi. Transmission was slow and the charges high, 30 cents per word for messages in Chinese and 60 cents per word for messages in English.

In order to improve this condition, the Ministry recently sent experts to Lanchow, Kansu, to erect a 500-watt wireless station. At the same time radio experts were sent to Tientsin and Tihua to make improvements in the wireless stations at those places. Hereafter, all messages to and from Sinkiang will be sent via the Ministry's own stations at Tientsin and Lanchow, dispensing with the military wireless station at Taiyuan, thereby increasing the speed of transmission.

The Ministry also announced that, beginning from December 1 all messages to Sinkiang are charged in accordance with the rates for domestic telegrams: 10 cents per word for ordinary messages in Chinese and 20 cents per word for ordinary messages in English.

To unify administration in foreign affairs, it is understood that all the Chinese Consulates in Tashkent, Semipalatinsk, Alamatu, Andijan and Dsaisangsk, in Soviet Russia, which were placed under the Sinkiang Provincial Government after the severance of Sino-Russian diplomatic relations in 1927, will hereafter come under the direct control of the Ministry of Foreign Affairs.

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Chinese and Mongolians Celebrate Accord Over Autonomy Issue

The entire city of Kueihua, Capital of Suiyuan, was bedecked with flags November 28 in celebration of the Pailingmiao accord in connection with the question of Mongolian autonomy for Inner Mongolia. The celebrations were held at the Public Recreation Ground and attended by over 100 Mongolian dukes and princes, General Huang Shao-hsiung and Chao Pei-lien (Government's Pacification Commissioners to Inner Mongolia), General Fu Tso-yi, Chairman of Suiyuan, and other Chinese officials. A military review was subsequently held which was witnessed by over 10,000 spectators.

The program for the institution of local autonomy in Inner Mongolia as agreed upon by General Huang and Mr. Chao with the Mongolian leaders in their conference at Pailingmiao, it is learned, provides for the following matters:

Change in the organization of the Mongolian and Tibetan Affairs Committee.

Alteration in the system of local administration in Mongolia.

Criteria for the appointment of administrative officials in Mongolia.

General Huang and Mr. Chao held a final conference wtih General Fu Tso-yi December 2, when views concerning the settlement of the Mongolian situation were again exchanged. They left Suiyuan for Taiyuan Nov. 3 by motor car to see General Yen Hsi-shan in connection with the Fukien situation and arrived at the Shansi Capital the following day. It is learned that the two officials will return to Nanking directly from Taiyuan by way of Ping-Han Railway instead of going to Peiping The draft agreement on the local autonomy of Inner Mongolia will be published as soon as General Huang has consulted the Government.

Wu Hao-ling, Director of Nanking Office of the Mongolian Leagues and Banners, returned to Nanking December 1 from Peiping. Mr. Wu said that as the result of discussions between General Huang Shao-hsiung and the Mongolian dignitaries at Pailingmiao, an agreement has been reached regarding the institution of local autonomy in Inner Mongolia under the direction of the Central authorities.

According to the terms of the agreement, two autonomous areas (*chu*) are to be demarcated in Inner Mongolia. including parts of Charhar, Chinghai (Kokonor), and Ninghsia. In each of these areas, a *chu* government is to be established, the upkeep for which will be borne by the Central Treasury. The two *chu* governments will be placed under the direct jurisdiction of the Central government.

With regard to the economic development of Inner Mongolia it is agreed that the uncultivated land will be permanently reserved for the raising of cattle. The revenues collected in all reclaimed areas where Chinese and Mongols live together, will be divided equally between the *chu* governments and the Provincial Government concerned, and are to be employed for purposes of local reconstruction.

In response to an invitation of the Government, the Panchen Lama, the "Living Budha of Tibet" and also Special Cultural Commissioner for the Western Border who rendered great assistance to General Huang Shao-hsiung in the settlement of the Mongolian situation, is presently coming to Nanking from Inner Mongolia. Anticipating his arrival, Shih Ching-yang, Chairman of the Mongolian and Tibetan Affairs Commission, has requested the Executive Yuan to appropriate a monthly sum of $2,000 as expenses for the reception of the Thibetan religious leader during his stay at Nanking. Complying with a petition of Mr. Shih, the Executive Yuan at its meeting November 29 appointed Su-Hu-Te-Li a Jassack (hereditary Prince) of the First Banner of the East Wing Cholossu Mongols of Kokonor (Chinghai) East Wing League.

A Peiping telegram December 3 reported that Japanese miltary authorities have decided to convert Dolonor into a Mongolian autonomous district to be placed under the direct control of the Japanese Military Headquarters at Chengteh in Jehol. The Japanese are planning to use Dolonor as a stepping stone for further aggression in Mongolia. It is learned that the Chinese authorities are investigating the matter and have decided to lodge a protest with the Japanese authorities.

Interviewed in connection with the above report, Wu Hao-lin stated that since their occupation of the Northeastern Provinces and Jehol, the Japanese have been eager to extend their aggressive activities to western Mongolia. A few months ago the Japanese "appointed" Li Shou-hsin, a native of eastern Mongolia, as "high commissioner for Eastern Charhar." Li commands an army of over 10,000 men. However, he pointed out, now that the situation in Inner Mongolia has been happily settled, no amount of Japanese intrigue will affect the situation among the various Mongolian Leagues and Banners.

⁂

A Statistical Survey of Shanghai

Congratulations are in order to the Shanghai Civic Association for its excellent work in the compilation of "Statistics of Shanghai—1933" which has just been published. The publication is the first attempt of its kind ever undertaken in Shanghai on such a comprehensive scale and will be of great value to the study of the city's life in its various phases. The survey covers a wide range of subjects of investigation and each of them is thoroughly treated. The chief subjects dealt with in this volume are: land, population, administration, judicial administration, finance, Commerce, money market, industry, labor, agriculture, communication, public health. The work represents the pains taking efforts of more than 60 people in various walks of life in Shanghai who, with the assistance of 41 public organizations, co-operated in collection of information and compilation of the material, thereby making possible the publication of the book. Work on the book started on Oct. 1, 1932 and final revision of the manuscript was completed in July, 1933. It is published in both Chinese and English languages and its price is $2.85 Shanghai currency. Copies of the publication are obtainable at the Commercial Press and the Shun Pao, Shanghai, which are the sale agents.

The Shanghai Civic Association which is responsible for the publication is the successor to the Shanghai Citizens' Council which was formed during the Sino-Japanese War in Shanghai in 1932. The purpose of the Association is to promote the welfare of the people in Shanghai and to initiate and improve civic enterprises in the city. Its offices are located at 1138 Bubbling Well Road, Shanghai.

⁂

Aged Revolutionary Worker Shot in Tientsin

According to a *Rengo* dispatch in the *Japan Chronicle*, Nov. 30, PaiYu-wan, an old revolutionary worker and editor of the *Cheng Pao* in Tientsin, was assassinated on Nov. 28, when three armed ruffians broke into his residence in Japanese Concession and fired at him point blank, wounding him fatally. Three shots hit their victim and the assailants escaped. Mr. Pai was rushed to a nearby hospital where he finally succumbed to his wounds. According to the same dispatch, Pai was a leader of the Second Revolution and a member of the Kuomintang. but later owing to differences with some leaders of the Party, he broke away from it and had since lived in retirement. He was a stuborn opponent of Gen. Chiang Kai-shek. Pai had a long political career during which, he was in turn member of the Parliament, secretary to President Li Yuan-hung, Circuit Magistrate of Hopei, Commissioner of Education, etc. In recent years, he associated himself with the late Gen. Chen Chiung-ming, the rebel leader against Dr. Suu Yat-sen. Prior to his assassination, he was said to be connected with the Fukien insurgents, acting their agent in Tientsin.

Chinese Government's Indebtednes Runs to Two Billions

According to the latest estimate made by the Ministry of Finance, the total amount of foreign and domestic loans owed by the Chinese Government runs up as high as $2,000,000,000. This figure represents only the indebtednessed owed by the Central Government, while loans concluded by local authorities have not been included.

Despite the large volumes of trading transacted during the week, considerable uncertainty still prevailed in the Chinese Government bond market in Shanghai. While certain firmness seemed to be maintained and some bonds began to pick up, the great slump caused two weeks ago by the Fukien uprising had hardly been recovered. Pending further developments of the Fukien situation, however, no great fluctuations are expected.

Trading on the Shanghai Stock Exchange was dull for the week. The market showed little or no strength, with buyers reluctant than they had been for seem time, while sellers displayed uneasiness at the uncertainty of the situation in the South.

Who's Who in China

Li Sheng-wu, B. A., LL.B., Government official; born at Taian, Shantung, March 24, 1900; graduate of the National University, Peking; researched in International Law in the Graduate School of the Japanese Imperial University, Tokyo, 1923-25; did further research work in International Law and Common Law at St. Edmund Hall, Oxford University, England, 1926-30; editor of the Commercial Press, Shanghai; professor of law at Chinan University and Futan University, Shanghai; editor-in-chief of the *Central Daily News*, Nanking; advisory secretary to the Central Political Council, Nanking; councillor of the Executive Yuan of the National Government, Nanking; editor-in-chief of the *Eastern Miscellancy* (a monthly magazine published by the Commercial Press); now director of General Affairs Department of the Ministry of Foreign Affairs, Nanking; author of "A Treatise on International Law (in 2 Vols);" "International Law as Applied to Civil War" (in English); "Elements of Political Science" (all published by the Commercial Press, Shanghai); address: Ministry of Foreign Affairs, Nanking.

李聖五
Li Sheng-wu

李聖五，現年三十三歲，山東泰安縣人，法學學士，法學碩士，國立北京大學畢業，留學日本東京帝國大學大學院研究國際公法，英國牛津大學研究國際公法，曾任上海商務印書館編輯，上海國立暨南大學教授，復旦大學教授，南京中央日報主筆，中央政治會議特務秘書，行政院參事，東方雜誌編輯主任，現任外交部總務司司長，著有國際公法論，英文國際公法與內戰，及政治學淺說等書，均商務印書館出版，

Tibetans Mass Troops for Major Attack on Sikong

Despite the denial issued by the representative of the Dalai Lama in Nanking, the Tibetans are making feverish preparations for another attack on Sikong. According to an urgent telegram received by the Nanking military Council from General Liu Wen-hui, Border Defense Commissioner of Szechuen and Sikong, more than 10,000 Tibetan troops have been concentrated along the Kinsha River and have perfected preparations to make an advance on the border cities on east side of the River. In view of this large concentration, General Liu states, resumption of warfare is inevitable. The telegram further states that the Tibetan troops have received large military and food supplies which would enable them to hold out for three months.

Information from other sources state that the Tibetan Commander has delivered an ultimatum to General Liu Wen-hui, demanding the withdrawal of Chinese troops from the east bank of the Kinsha River and surrender of several districts, including the much-disputed Tahke region. The ultimatum, which expired December 2, threatens that unless the demands are complied with, the Tibetan troops will commence military action. Gen. Liu, upon receipt of the ultimatum, has issued orders to his troops at the front to keep a close watch over the activities of the Tibetans and to be preparted for action at a moment's notice.

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CUSTOMS NOTIFICATION NO. 1328.

The public is hereby notified that, in accordance with Government instructions, new standard weights and measures according to the metric system will be introduced throughout the Customs Service on the 1st February, 1934.

In this connexion it would be well for importers to impress upon their correspondents abroad, both manufacturers and shippers, the desirability of marking and invoicing their goods in conformity with the new system with a view to avoiding inconvenience on the arrival of the cargo in China.

Further information on this subject may be obtained on application at the Appraising Department, Custom House.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,

Shanghai, 1st December, 1933.

Men and Events

Chinese physicians throughout the country will hold a national conference on January 1, 1934, in Nanking to discuss improvements in Chinese medical science.

No date has yet been fixed for the signature of the Sino-French-Annam Commercial Pact, as the negotiations regarding the Pact have come to a deadlock.

Mrs. H. J. Hunter, was admitted to the Kowloon (opposite Hongkong) Hospital Nov. 31 in a serious condition, resulting from knife wounds. The assailant was a 16-year old servant named Ah Wing.

Renzo Sawada, Councillor to Japanese Embassy in Paris, is to be transfered to a similar post in the Japanese Legation in China.

The Rotary Club of Nanking was formally organized Dec. 2. Dr. Yen Teh-ching, chief of experts of the Ministry of Railways, was elected president.

The death occurred in New York Nov. 30 of Major D. O. Lively, who since 1928 has been the National Director of China Famine Relief.

Shigeru Yoshida, former Japanese Ambassador to Rome, is prominently mentioned for the post of Japanese Ambassador to Washington in succession to Katsuji Debuchi, who is returning to Japan.

Judgment by default for Tls. 440 and $38 and costs was granted Robert Hossenlopp against Miss Vera Anderson by Judge Milton D. Purdy in the United States Consular Court Dec. 1.

The recent petitions from various Chambers of Commerce urging a revision of the provisions of the Civil Code relative to the liability of partners has been rejected by the Legislative Yuan.

The Wolff Bureau and Telegraphen Union, two great German news agencies, have been amalgamated for economic reasons under the title of Deutsches Nachrichtenburo.

The resignation of Dr. Lo Wen-kan, Minister of Judicial Administration, from his concurrent post as Minister of Foreign Affairs was accepted by the Central Political Council Nov. 29.

Tan Kah Kee & Company, leading Chinese rubber interests with their base of raw material production in Singapore, are stated to be contemplating closing several of their sales branches in China.

The British Full Court will hear the appeal Dec. 9 of Mrs. Katherine Hadley against the sentence of death imposed upon her in October for the murder of Walter Clifford Youngs.

Dr. W. H. Gardiner, Shanghai physician and surgeon, and Miss Garnett Peck Butler were married in Honolulu, Nov. 29, Miss Butler was formerly on the staff of the American Consulate-General at Shanghai. Her home is in Portland, Oregon.

Negotiations have been initiated between the Directorate-General of Posts and the Soviet Postal authorities for the restoration of direct parcel post service between China and Russia, which had been suspended since 1918.

The Association for the Promotion of Sino-French Amity gave a luncheon at Nanking, Dec. 2 welcoming Maurice Dekobra, French novelist. Chu Ming-yi, secretary-general of the Executive Yuan, and Tseng Chung-min, vice-minister of Railways, acted as hosts.

Marshal Chang Hsueh-liang, arrived in Paris Dec. 2 The date of his return to China has not yet been fixed. The arrangements for his eventual return are being made by W. H. Donald, private secretary to Marshal Chang, who is now in Shanghai.

Quo Tai-chi, Chinese Minister to Great Britain, speaking in Liverpool Nov. 28 said that although democracy was getting less popular, responsible leaders in China pinned their faith to democracy as it was practised in Great Britain and the United States.

The first meeting of the members of the Ohio State University Alumni Association was held at the Chinese Bankers' Club in Shanghai December 1. T. C. Chang, dean of Nanyang University, was elected Chairman. Charles R. Sprague of the Standard Oil Company of New York, vice-chairman; Dr. Walter C. Chu, secretary and treasurer.

The death occurred Nov. 20 of the Rev. B. L. Ancell, D.D. of the Yangchow American Church Mission. Dr. Ancell began his work in China in 1909. He was born in Virginia May 15, 1868. He graduated from the Theological Seminary of Virginia in 1899, at the same time receiving the degree of Master of Arts at George Washington University, Washington, D. C.

Tuan Hsi-peng, Vice-Minister of Education, resigned Dec. 4. from the National Government.

Captain Takasu, the new Chief of Staff of the Japanese Third Naval Fleet, arrived in Shanghai Dec. 5 to take up his new duties here.

Wan Kuo-pin, son of General Wan Fu-lin and former Provincial Commissioner of Finance for Heilunkiang, has been engaged by the Ministry of Railways as an adviser.

Mr. Morishima, Chief of the First Section of the Asiatic Affairs Bureau of the Japanese Foreign Office, arrived in Shanghai Dec. 5 on a tour of inspection in Central and South China.

A Hongkong message dated Dec. 5 stated that three of the four victims of the piracy committed on the French steamer, *Commandant Henri Riviere*, on November 26 have deen released by their captors.

The Peiping Branch Court of the Hopei Higher Court has received an order from Nanking for the arrest of Yi Pei-chi, former Director-General of the Palace Museum, on a charge of corruption in the administration of the affairs of the Museum.

The Ministry of Communications has decided to establish new wireless stations at Lanchow, Hsining, Sianfu, Ninghsia and Suiyuan. The station at Sianfu has already been completed and construction of other stations have already been begun. The program is expected to be completed within the next year.

A recent United *Press* message from Peiping noted the waning of British influence in the Chinese Navy. Admiral Chen Shao-kuan, the Minister of the Navy, recently made arrangements for advanced student officers to be trained in the United States. The first group of three cadets is already are en route to America.

A petition of President Wang Ching-wei, concurrently Minister of Foreign Affairs, for an increase in the ordinary and extraordinary expenses of the Chinese Consulate-General at Tashkent and the Chinese Consulates at Semipalatinsk, Alamatu, Andijan and Dsaiangsk (in Soviet Russia), has been approved by the Executive Yuan.

The Japanese Metropolitan Police Board in Tokyo has begun an examination of a Japanese merchant named Kakutani, formerly in Shanghai, and several others, in connection with the smuggling of diamonds valued at Yen 1,000,000 from Shanghai to Japan.

China imported $1,398,664 worth of cosmetics from the United States. France, Great Britain, Japan and other countries during the frst 10 months of the year, according to statistics compiled by the Bureau of Foreign Trade of the Ministry of Industries of China. The U. S. headed the list, with France second

Twelve Shanghai cigarette factories suspended operations in the fore part of the week as a protest against the new consolidated tax rates on matches, cement and cigarettes, which have all been increased. The new cigarette taxes impose a levy of $160 on each case of first grade and $80 on second grade.

Lieutenant Robert S. Hall, Jr., was lost from the U.S.S. *Isabel* while the Admiral's yacht was en route from Hongkong to Manila, on the night of Dec. 1. The deceased was 20 years of age and the son of U. S. Representative Robert S. Hall, of Mississippi. He was stationed on the *Rochester* here last summer.

Judgment for $1,700 and costs was awarded Miss Miriam Holloway by Judge Milton D. Purdy, in the U. S. Court for China Dec. 1 in her case against George F. Nellist, the amount representing three months' salary and a loan of $800 to the defendant. The case involved a publication known as "Men of Shanghai and North-China."

As the result of urgent applications on behalf of certain debenture holders a motion for the appointment of a receiver for the Dorman Long Co. was ordered in London Nov. 30. Said firm has been active in contracts in China. It is represented in Shanghai by Dorman Long & Associates (China), Ld., with offices at 46 Nanking road. Frank R. Freeman is, according to the hong list, the managing director.

General Wan Fu-lin, member of the Standing Committee of the Peiping Branch of the Military Affairs Commission and concurrently Commander of the 53rd Army, accompanied by Wang Shu-han, member of the Peiping Political Affairs Readjustment Committee, conferred with General Chiang Kai-shek, at Nanchang during the fore part of the week. In an interview General Wan said the military expenses for North China have been tentatively fixed at $4,500,000 monthly.

Clarence Guy Gordon, formerly of the British Office of Works in Shanghai, was brought up in a London Police Court Nov. 30 on a charge of demanding money by menacing King George. It was intimated that an enquiry into his mental condition will be made.

E. G. Jamieson who, with Mrs. and Miss Jamieson passed through Shanghai recently from Canton on their way to Peiping, is joining the British Legation in the former capital. Mr. Jamieson was acting British Commercial Counsellor in Shanghai two years ago.

A group of prominent foreign and Chinese residents of Shanghai have started a move to improve the condition of the ricsha coolies in Shanghai. In a recent circular letter it was pointed out that about 100,000 people are dependent on the ricsha traffic at present. Under present conditions it is stated that the ricsha pullers are being exploited for the benefit of sub-contractors.

Foreigners travelling to the interior by air are subject to the same requirements regarding passports as in the case of these travelling by land or sea, according to a recent ruling of the Ministry of Foreign Affairs. It is intimated that the Foreign Ministry is drafting, in conjunction with the Ministry of Interior, a set of regulations regarding foreigners travelling to the interior.

Yang Jen-tang, a Fukienese, who recently defrauded N. F. Allman, American lawyer in Shanghai, of more than $3,000 by raising the amount of a cheque made out by Mr. Allman, and who was arrested by the Shanghai police when he attempted to repeat the experiment on another American attorney-at-law, C. S. Franklin, was sentenced to three years' imprisonment in the First Special District Court December 1. An accomplice in the second attempt proved to be a Formosan. He was handed over to the Japanese authorities.

Three farewell dinners were given in honor of M. J. Cox, Shanghai manager of *Reuter's* Service, before his departure. The first dinner was given by the Chinese Daily Press Association of Shanghai at the Hang Fa Lou restaurant Foochow Road, Nov. 29, several foreign newspaper men also being present. The second was given at the Shanghai Club Dec. 1, which the majority of foreign daily newspaper men in Shanghai attended. The third was given at the Cathay hotel by C. J. Chancellor, general manager for the Far East of Reuters, Ltd. Mr. Cox left for Japan Dec. 3 where he takes over from Captain Kennedy, who has been transferred to London.

Marquis Marconi Is Feted in Nanking and Shanghai

Marquis Marconi and his wife, who arrived in Peiping from Japan last week, proceeded to Nanking Dec. 5. Chu Chia-hua, Minister of Communications, gave a warm welcome to the Marquis and his party.

Over 40 prominent representatives of various cultural organizations in Peiping entertained Marquis Marconi and his wife at a reception held at the Returned Students' Club in the former capital Dec. 4.

Marquis Marconi was due in Shanghai Dec. 7. During his visit here he was the guest of honor at several luncheons, dinners and receptions given by high Chinese officials and local organizations, including T. V. Soong, the Mayor of Shanghai, the Inspector General of Customs, the Pan-Pacific Association, the Marconi Company, the Italian Minister and the Italian community.

Marquis Marconi, Marchioness Marconi, Comm. Boscarelli, Italian Minister to China, and Madame Boscarelli will be the guests of honor at the Astor House Hotel, Dec. 11 at a dinner to be given by the Pan-Pacific Association, which will be presided over by H. H. Kung, Minister of Finance. Marquis Marconi will speak on "Wireless Telegraphy and Civilization."

Carl Hagenbeck Circus Nets Half a Million in Shanghai

Despite the proverbial talk of economic depression in Shanghai, certainly the German Carl Hagenbeck Circus was not affected by it. According to a report in a Chinese paper, during its two months' show, it realized a total sum of $1,080,000 from ticket, sales netting the huge profit of $560,000, after deducting all the expenses—the major items of which were $420,000 for maintanence of the staff and animals and $100,000 for advertising. It is said that the average income from ticket-sale each day amounted to $18,000, while its daily expenses were only $7,000. The circus spent six months in Japan and barely met its expenditure from ticket-sales.

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In the United States Court for China

NADEJDA VENEMIAN PRUJAN, Plaintiff.
vs.
GEORGE PRUJAN, Defendant.

Cause No. 3606
Civil No. 1647
ORDER
Filed at Shanghai, China
Nov. 24th, 1933
William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 23rd day of November, 1933, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1933, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1933, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since over one year, and that defendant's last known address was c/o Y.M.C.A., Cleveland, Ohio, United States of America.

NOW, THEREFORE, it is the 24th day of November, 1933, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 16th day of December, 1933, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 24th day of November, 1933.

MILTON D. PURDY,

Judge.

New Books of Interest in the Far East

Indiana's Greatest Son

Forgotten Frontiers: Dreiser and the Land of the Free, by Dorothy Dudley: published by Harrison Smith and Robert Haas, New York City.

Back in Indiana, U. S. A., where this reviewer was born and *raised* (to employ the true Hoosier vernacular), there was always much pointing with pride in the public schools to the crop of authors produced in the rich, lush loam of the valleys of the Wabash and White Rivers. Invariably mentioned were James Whitcomb Riley, Lew Wallace, Booth Tarkington, Meredith Nicholson, Edward Eggleston, George Ade, and Paul Dresser. Never mentioned was Theodore Dreiser, also born and *raised* in Indiana, although his *Sister Carrie*—one of the greatest novels in any language—had been written before I was born. In fact, it was only *after* the World War, when a student in a university in Ohio, that I ever heard of the mighty Dreiser,—and my information then did *not* come from any of my professors in English literature.

In this bit of personal reminiscence is symbolized an epoch in American history which is delightfully and brilliantly described by Miss Dudley in the almost 500 pages under review. Fifteen years ago, the youthful charges of the school marms of the Middle West, and even the intellectual innocents in the halls of the alleged higher learning of the land, were never told of this glorious giant of Terre Haute, Indiana, who has not only written at least two of the half dozen finest novels in the English language, but who more than any other one person has been responsible for the United States finally and definitely breaking away from Queen Victoria's apron strings. Today even the pedants in scholastic petticoats who preside over the professorial purity of the American Parnassus are forced to hail Dreiser as one of the world's most magnificent geniuses,—and this despite the fact that in recent years he has swung so far to the left that he voted the communist ticket in 1928 and 1932 and has even applied for membership in the American Communist Party. At long last—in his old age, in fact—the author of *Sister Carrie* and *An American Tragedy* has come into his own, and is now both wealthy and famous and even respectable despite his efforts to be otherwise. Yet only three decades ago *Sister Carrie* was sabotaged by the moralistic whim of a publisher's wife and later *The Genius* was legally suppressed for several years. *The Titian* was withdrawn by Harper's when all but bound, and *The Hand of the Potter*, one of the greatest dramas with a psychopathic theme ever written, was refused as "too strong" by several publishers and damned by critics as liberal as H. L. Mencken. But *An American Tragedy* seven years ago—which ran to two long volumes and violated practically every prejudice and inhibition of the late Victoria—was a best seller, was produced as a play which was staged all over the American hinterland, and was also put into the movies, although considerably emasculated by Hollywood. Today, however, movies constantly are made in the U.S.A. that are as un-Victorian as *An American Tragedy* in all its pristine "immorality."—and Dreiser has been the principal prophet responsible for this change.

"Many good men come from Indiana: the better they are the quicker they come," once said George Ade who, however, has remained in Indiana. But those who come from that state, as revealed by Dreiser, can never completely escape from its environment, which for many reasons too involved to discuss here is especially insidiously American. Wherefore it is no surprise to learn that Dreiser, despite the difference in the spelling of the surnames, is a brother of Paul Dreiser, author of *On The Banks of The Wabash*. In fact, Dreiser wrote part of the words for this still popular song:

Round my Indiana homestead wave the cornfields.
In the distance loom the woodlands clear and cool.
Often times my thoughts revert to scenes of childhood,
Where I first received my lessons, nature's school....
Oh, the moonlight's fair tonight along the Wabash,
From the fields there comes the breath of new mown hay.
Thro' the sycamores the candle lights are gleaming,
On the Banks of the Wabash, far away."

'Tis very sentimental, to be sure, and Dreiser today is probably not proud of it, but after all sentimentality—which should not be confused with pernicious and psychopathic romanticism—is a very common characteristic of the realist. This is particularly true of a realist born and *raised* in Indiana. *Why* is one of the many aspects of modern America discussed by Miss Dudley; perhaps it is best summarized by Dreiser himself is his simple statement that "Indiana....is a state apart. Anything could happen there....There's something fertile, solacing in a way, about the place".....which assuredly there is, when it can produce a Dreiser!

W. B.

Story of World War Told in Photographs

The First War. A photographic history with an introduction and captions by Laurence Stallings. 298 pp. Price U.S. $3.50. Simon & Schuster. New York, 1933.

In a present day world atmosphere pregnant with the seeds of international discord, the vivid chronicle of world conflict as portrayed by the camera in "The First World War" offers serious material for sober thought.

Although the editor disclaims any motif for the book, the adjective modifier in the title is significant of his belief that the solgan "The War To End War" may have been a shibboleth. Parallels from present-day international economic and political rivalries may aptly be drawn from this pictorial narrative of world strife nearly two decades ago.

The volume opens with a reproduction of a painting representing The Congress of Vienna in 1815 when the principal Powers met to re-draw the map of Europe. Follows the famous painting of Bismarck dictating the terms of peace to France at the conclusion of the Franco-German war of 1871 and the Algericas Conference held at the Hague in 1883 to adjust conflicting interests between Germany and France in Northern Africa.

Then the scene shifts to pre-war armament activities. We see the Krupp works speeding up production, Britain building more warships, France clamoring for more guns. And then the significant date, June 28, 1914. A headline in the *New York Times* tells the story—"Heir To Austria's Throne Is Slain With His Wife By A Bosnian Youth To Avenge Seizure Of His Country." The powder magazine of Europe is ignited.

The camera records mobilization in Germany, in Britain, in France, in Siberia. Newspaper headlines thunder the preliminaries of world catastrophe. Austria declares war on Serbia, Germany on Russia; France and Britain stand by their Allies and are drawn into the vortex.

The New York Stock Exchange closes. German reservists parade on Broadway. American tourists caught in the war zone hasten to their home shores.

The world's pulse quickens. The rapid tempo of events is pictured on a variety of fronts. Belgium is invaded. Brussels falls.

Then aftermath—long queues of non-combatants waiting to scan mounting casualty lists, havoc of submarines, havoc of heavy artillery, havoc of bombing planes, battle fields strewn with mangled corpses, captioned, ironically, "No More Parades."

The Czarist regime is overthrown. Russia capitulates. The United States enters the war. "Over 1,000,000 U.S. Soldiers Sent Abroad; Americans Drive On; Smash Counter Blows"—*New York Times*, July 3, 1918.

The Allied drive begins. Hindenberg's hitherto impregnable line collapses. The Armistice is signed, the treaty of Versailles.

And then the European stage fourteen years later, picturing four outstanding post-war personalities, Hitler, Stalin, Mussolini and Kemal Pasha.

The last page leaves the reader groping among this assortment of newspaper headlines to determine whither the world is drifting: "Paris Awaiting Debt Settlement From America," "Roosevelt Warns World To End War, Cut Arms; Arraigns Obstructionists," "Europe Swims in Fascist Tide, Mussolini Says," "Tokio To Extend War Operations," "Japan Wrecks League Efforts To Conciliate Far East Dispute," "Japanese Buy $8,000,000 Arms."

The book contains no text. The entire war drama is depicted by photographs, some official some from private sources, many hitherto unpublished.

V. K.

How Ignorant Training Spoils a Child

In Tragic Life, by Vardis Fisher (Caxton Printers)

A heavy, stolid tale of the crime and punishment of being an adolescent.

Born of a mother "who held sex in withering contempt" and a father "with the Celt strong in his blood", Vridar Hunter was a sickly, yelping little brat. He was much too weak and bewildered to face the hard life of a poverty stricken family pioneering in the West in the nineteenth century. His mother coddled him (she was sure his strange, dreamy ways were the makings of a prophet) and his father, calloused by a never-ending struggle for existence, bullied him.

Vridar's "tragic life" began at the age of three when his father beat him, and he had convulsions as the result of "this awful symbolism of punishment."

The little boy next met the bogey of fear through his relatives, a horrible lot if there ever was one. Swaggering, contemptuous and completely unrestrained in the pleasures and curiousities of the flesh, their actions and coarse speech terrified him.

As an inevitable consequence Vridar became a snivelling, contemptible little coward, and chapter by chapter we go through with him his utterly depressing experiences, each one of which sears his soul the more, and makes him less and less attractive.

At the age of 14, if your patience can carry through so many depressing chapters, Vridar, shy of girls yet curious, reached that dark phase of adolescence around which such a large number of modern young male authors write an agonising first novel. This is the peak of "the agony and terror which Vridar takes from adolescence."

The rest of the book is devoted to the struggles and final triumph which Vridar experiences over his terrible "debasement." He is driven to four years of periodic insanity between the bewildering drive of his perversion and his own lack of control despite his horror and disgust. Quack books on the subject, which fall into his hands, and from which we are given extracts, make these chapters of the book black with his fears.

"In Tragio Life" is far from pleasurable reading. It is a thorough index to the glooms of early childhood and youth. As a result there is not an attractive child in the book, and Vridar heads them all in unpleasantness, in spite of his poetic longings and leanings.

Solidly, doggedly written in a determination to show that the ignorance of childhood is anything but blissful, Mr. Fisher's book offers no solution.

It must have taken the author tremendous effort and concentration to accomplish his task, for it takes a great deal of both to read it. It is only to be hoped that Mr. Fisher's satisfaction or elation at having done so is greater than the reader's.

C. D.

Chinese Authorities to Inspect Factories Independent of S. M. C.?

Li Ping-heng, director of the Labor Department of the Ministry of Industries and concurrently chief of the Central Factory Inspection Bureau, stated at Nanking Dec. 4 that negotiatins with the Shanghai Municipal Council in regard to factory inspection in the Shanghai International Settlement are not likely to be resumed. A deadlock was reached, according to Mr. Li, primarily because the S.M.C. claimed for itself the exclusive right to appoint and dismiss the personnel of this proposed organization. Mr. Li said that the Chinese authorities, in order to uphold their national rights, were prepared shortly to proceed with the inspection of factories in the Settlement in their own account.

Moh Teh-hui Returns from Europe

Moh Teh-hui, plenipotentiary delegate of the Chinese government to the Sino-Soviet Conference in Moscow in 1930 and 1931, returned to Shanghai Dec. 4 from Italy and later proceeded to Nanking. Mr. Moh proceeded to Moscow in the summer of 1930 as chief Chinese delegate at the conference with the Soviets regarding the future status of the railway. He returned to China in January, 1931, and reported to the Chinese government. Armed with fresh instructions, he revisited Moscow two months later. Twenty-three meetings were held with the Russian delegates before the Japanese invasion of Manchuria in September that year. The Japanese incursion created a new situation which terminated the negotiations in which Mr. Moh was engaged.

THE TANGKU ARMISTICE

DID NOT SETTLE THE SINO-JAPANESE SITUATION.

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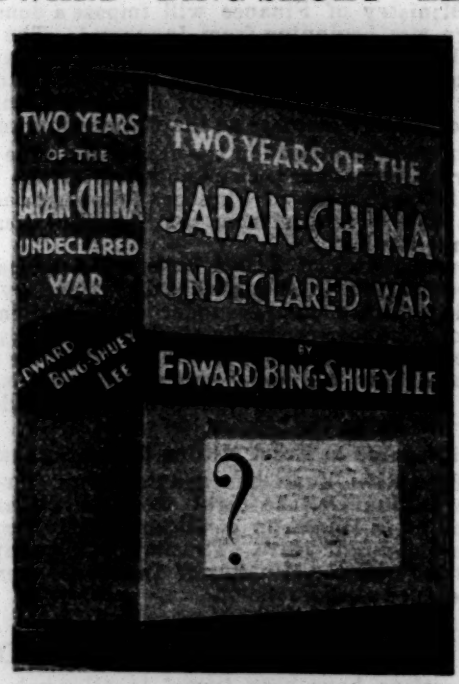

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CHINA WEEKLY REVIEW

38 Avenue Edward VII.

N. E. C. to Advance Fifteen Millions to C. M. S. N. Co.

The National Economic Commission has decided to appropriate $15,000,000 to the China Merchants Steam Navigation Company for the purpose of reconstructing the godowns and wharves of the Company, as well as to repay the debt owed the Hongkong and Shanghai Bank.

British Conservatives Would Throttle Chinese Shipping

In a reply to a suggestion by a conservative member in the House of Commons Nov. 29, that the proceeds of the Boxer Indemnity fund should not be used to compete against British shipping, Sir John Simon, Foreign Secretary, said the development of Chinese coastal shipping; necessarily entailed competition against British shipping he said he is not satisfied that there is ground for effective representations.

The security of British loans depending on revenue from Chinese Customs was the subject of a question put by the Conservative member for Oldham in the House of Commons Nov. 29. Sir John Simon, Foreign Secretary, in reply said that the Chinese Government had stated that there was at present no surplus Customs revenue available for the services of the three loans which were in default. The British Government, however, would continue to take all possible steps to safeguard the interests of bondholders in these loans.

The Chinese General Chamber of Commerce has submitted a petition to the Government demanding immediate imposition of a higher tariff on imported rice.

The Ministry of Finance will impose a dumping tax on foreign rice, beginning from January 1. The Chinese Matchmakers' Association has decided to call a national conference of all match makers in China, in Shanghai, on December 10 for the discussion of measures to combat the dumping of foreign matches on the Chinese market.

A Control Committee for the granaries in the districts of northern Kiangsu has been established by the Kiangsu Provincial Department of Finance, following the conclusion of a $600,000 loan from the Shanghai Commercial and Savings Bank.

The second batch of 52,000 bales of American cotton is expected to arrive in Shanghai early in January.

An interitance tax is under consideration by the Ministry of Finance. According to the measures prepared by the Revenue Department of the Ministry, the rates of the proposed new tax will be on a sliding scale, proportionate to the value of the property left by the deceased; the larger the value, the heavier the rate.

Hunan Millionaire to Erect Million Dollar Sulphate Plant

The Executive Yuan has granted Fan Yu-tung, a Hunanese millionaire, the right to erect an ammonia-sulphate plant in Hunan on condition that it is completed within one-and-a-half years. The plant is to be capitalized at $10,000,000 with the Ministry of Industries exercising a certain measure of supervision.

Plenary Session of C.E.C. Called for Dec. 20

Notifications have been issued to all members of the Central Executive Committee asking them to attend the plenary session to be held in Nanking on December 20. Sun Fo, President of the Legislative Yuan, has expressed the opinion that a quorum can undoubtedly be secured for the meeting.

Chinese Railways Continue to Pay Millions on Bonds

As announced previously by the Ministry of Railways, the Nanking-Shanghai Railway and the Shanghai-Hangchow-Ningpo Railway have made great efforts this year in discharging their outstanding obligations. The total amount paid off to the end of last September was approximately $3,200,000. It is now learned from the same source that, since then, further payments have been made on their loan service. The Nanking-Shanghai Railway paid on November 17 an amount of $1,076,032.77, being the equivalent of £69,774, for the half-yearly interest due on May 18, 1932, inclusive of bank commission.

On the same day the Shanghai-Hangchow-Ningpo Railway paid $173,927.71, being the equivalent of £11,278.-26, for the half-yearly interest due on that day.

On December 2 the S.H.N.R. again paid an amount of $939,900.13, being equivalent to £60,000, for part settlement of the 29th. and 30th, instalments of amortization due on November 17, 1932, and May 18, 1933, amounting to £75,187.10.0. It is expected that the balance of £75,187.-10.0 will be paid by the end of this year.

It will thus be seen that a total amount of $2,189,960.-61 has again been paid this month, and the grand total paid thus far this year amounts to approximately $5,400,000.

Plan on Foot in U.S.A. to Finance Exports to Russia on Huge Scale

A plan to finance American exports to Russia, by the creation of a fund of $100,000,000 to be subscribed by exporters interested in Soviet trade, and to which the Reconstruction Finance Corporation will be asked to contribute on a dollar for dollar basis, is on foot.

The Rockefeller Institute has offered to erect a building in New York costing approximately U.S.$1,500,-000, to house the Soviet commercial headquarters in the United States.

William Randolph Hearst Dec. 2 unequivocally and emphatically came out in support of the monetary policies of President Roosevelt. He declared that President Roosevelt was "trying to save the country from the clutches of the money lenders, who are clamoring for the gold standard because they are shylocks insisting upon adherence to every letter in their bonds."

The U.S. State Department is negotiating a trade pact with Britain whereby American exports of pork and butter to Britain would be reciprocated by British liquor imports into the United States.

Savings deposits on June 30, 1933, in American banks totalled U.S.$214,024,000,000, a decrease of 11.8 per cent. as compared with the same period last year.

Despite the "gold clause" the Italian government is paying the interest on the $100,000,000 Morgan loan in paper dollars.

With turkeys at the lowest price in many years and prohibition doomed, the United States celebrated Thanksgiving Day this year in bumper fashion. At Sing Sing the prisoners feasted on 2300 pounds of turkey.

Senator Borah Would "Get Rid" of the Philippines

Senator William E. Borah, and former Chairman of the Foreign Relations Committee of the Senate under the Hoover Administration, has announced that he will support "almost any kind of a bill to get rid of the Philippine Islands." The United States, he said, should not retain any territories outside of continental United States except where they are necessary for national defence.

E. Armstrong, inventor of the seadrome, which the Federal Works Administration is preparing to employ in the establishment of a governmental financed and operated trans-Atlantic airline, announced Dec. 3 that he has been studying the use of similar seadromes in trans-Pacific services. The engineering aspects presented little difficulty but the commercial probabilities are not so certain, Mr. Armstrong said.

The U. S. Government debt on November 30 totalled 23,534 million dollars, which is a new peace-time high. These figures show an increase of 484 million dollars on the corresponding date last year, half of which is due to emergency measures.

Soviet Writer Pleads for Disarmament

Moscow *Pravda* Dec. 3. published an article by Karl Radek to the effect that even the most backward people in Europe now realise. that the Soviet Government was right in advising the nations to put an end to armaments, otherwise capitalism would drive the humanity to a fresh war. He argues that the only way out of the deadlock lies along the line indicated by the Soviets, namely, the struggle for universal disarmament, and renunciation of the method of solution of disputable problems by force of arms.

U. S. Secretary of Navy Demands Stronger Navy

An emphatic demand for a stronger United States navy was made Dec. 2 by Claude Swanson, Secretary of the Navy, in his annual report. He declared that the time has come when the United States can no longer afford to lead in disarmament. "Other powers," he adds, "have not followed our example, with the result that the United States now finds that her relative naval strength has been seriously impaired. Our weakened position does not serve th cause of peace but jeopardizes it." Even taking into consideration the present building program, the Secretary of the Navy said the United States will have to construct 101 additional ships in order to

reach the full treaty strength at the end of 1936, when the treaties expire. As a result of the sporadic costly building programs hitherto, all except four of the Navy's destroyers will be over age at the end of this year

S. M. R. Reorganization Plan Makes Progress

The Special Committee of the South Manchuria Railway Company Employees' Association for the studying of the proposed reorganization plan of the railway administration, which embodies plans for the economic development of Manchuria in line with the fundamental policy of the new State of Manchukuo, has approved the draft reconstruction plan prepared by the sub-committee. It is to be submitted to the President and Vice-President of the South Manchuria Railway Company, the Japanese Kwantung Army and other official circles.

Mr. Hatta, Vice-President of the South Manchuria Railway Company, arrived in Changchun Dec. 5. with directors of the company. He conferred with General Hishikari, Conmmander-in-chief of the Japanese Kwantung Army and formally submitted the S.M.R.'s reorganization plan based on the principles of reconstruction agreed upon by the army and S.M.R. authorities. Vice President Hatta also presented an extensive scheme for the economic exploitation of Manchuria to the headquarters of the Kwantung Army. The Manchukuo Government has completed the final settlement of foreign and other claims against the former regime in Manchuria, under Marshal Chang Hsueh-liang. Through the Central Bank of Manchukuo, the new government has paid back old debts amounting to 7,973,893.12 in Manchukuo ourrency.

Retiring British Minister Issues Farewell Message to China

The British Minister to China, Sir Miles Lampson, visited General Chiang Kai-shek at Nanchang Dec. 4, prior to proceeding to Cairo to take up the post of High Commissioner for Egypt and the Sudan. The Minister flew from Peiping in General Chiang Kai-shek's private plane. Sir Miles later flew to Nanking and bid farewell to Wang Ching-wei and other government leaders. The Executive Yuan has conferred on Sir Miles a second-class Chai Yu (literally brilliant jade) medal.

In a farewell message to China Sir Miles said that although the immediate future may still be uncertain and obscure, he was nevertheless convinced that in the long run, the Chinese people will be successful in their task of constructing a modern Chinese state.

"THE BLOOM OF YOUTH"

But those good looks will fade all too soon unless the health be properly safe-guarded. Defective digestion, a sluggish liver, and the resulting imperfect cleansing of the food tract, induce pimples, acne, and other facial blemishes, as well as sallow skin, dark eyes, impure breath.

To aid digestion and ensure daily regularity, which is essential if the eyes are to retain their sparkle and the cheeks their bloom, an occasional dose of Pinkettes is of great assistance. These dainty, tiny laxative pills, by quickly eliminating waste matter from the system, keep the skin fresh and clear, purify the breath, and remove the cause of sick headaches and biliousness. Chemists everywhere sell Pinkettes.

IN THE UNITED STATES CONSULAR COURT AT SHANGHAI, CHINA

In re. Estate of PEDRO FAUS Deceased	Cause No. Special Proceedings No. 145 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of PEDRO FAUS, deceased, to present the same with vouchers to the undersigned on or before June 30, 1934, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

INOCENCIO M. FAJARDO,
c/o Palace Hotel Bar,
Shanghai.

Shanghai, China.
December 6, 1933.

In the United States Court for China

In re. Estate of ORMOND B. GAINSBOROUGH Deceased	Cause No. 3596 Special Proceedings No. 931 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Ormond B. Gainsborough, deceased, to present the same with vouchers to the undersigned on or before June 9th, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 9th, 1933.

M. R. Nicholson,
Administrator.

248 Kiangse Road,
Shanghai, China.

Real Estate Review of Central District by Realty Investment Company

The formal opening of the new home of the Continental Bank, 10 Kiukiang Road, on December 4, 1933, makes a real addition to the imposing skyline of the Central District. The Bank will occupy the lower floors, the upper floors are already rented as offices. The total cost of the building is more than $1,000,000.

The present offices of the National Commercial Bank will be enlarged to more than double their present accomodation at the corner of Kiangse and Peking Roads. Work has already started on a four-story building adjoining the present structure, and when completed will be an imposing bank building. This addition has been necessary to take care of present business, and does not interfere with plans for an entirely new building on a valuable piece of land that the Bank already owns.

"These Will Soon Make Baby Well!"

"I never had any trouble cutting my teeth; Mummy says so, and I heard her telling Auntie the other day that she is sure this was due to Baby's Own Tablets,"

Teething time is often a distressing time not only for baby, although he really has the worst of it, but also for father and mother, who lose their sleep night after night nursing him.

Baby's Own Tablets are of immense help to parents under such circumstances, because they ease teething pains almost as if by magic for the simple reason that they promptly dispel their cause. By settling the stomach and eliminating waste matter from the food tract. Baby's Own Tablets banish teething pains in a perfectly natural way.

Baby's Own Tablets are guaranteed to contain no opiate or narcotic element, but only the finest medicinal ingredients known for the treatment of chilhood ailments. They are so pleasant to take that there is never any fuss with baby, and they are so good for him.

They are recommended by doctors in cases of infantile disorders such as indigestion, constipation, wind, colic, diarrhoea and worms, they are also effective in easing colds and allaying feverishness.

Keep a vial in the house and keep the the children fit by using Baby's Own Tablets, the well tried family remedy for the ailments of childhood.

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The National City Bank of New York, Rates of Exchange

Shanghai, Dec. 6, 1933.

Demand selling rate on America:	U.S.$100 = Sh. $293.04
Demand buying rate on America:	U.S.$100 = Sh. $289.85
Demand selling rate on London:	£1.0.0 = Sh. $15.360
Demand buying rate on London:	£1.0.0 = Sh. $15.118

Latest New York Stock Exchange Quotations

Market—Strong — Business Done 2,010,000 Shares

Dedember 6, 1933

1933 High	1933 Low	Div.$ per Sh.	STOCKS	Mon. Dec. 4	Tue. Dec. 5.
18¼	3	—	Adams Express	7⅞	8⅜
33	11⅛	0.60	Alaska Juneau	21⅞	22⅝
145½	70¾	6.00	Allied Chemical & Dye	144	149
99½	49½	4.00	American Can	98¼	99½
19⅝	3⅝	—	American & Foreign Power	9½	10
44⅞	7¼	—	American & Foreign Power 7% Pfd.	20½	21⅜
13⅛	2⅝	—	American & Foreign Power Warr.	Unq.	6½
23⅝	3⅛	—	American Metal Co.	19¼	20½
53½	10¾	—	American Smelting	43⅝	45½
134¾	86½	9.00	American Telephone & Telegraph	117⅛	118¾
94¾	50¾	5.00	American Tobacco "B"	75	75¾
42¼	10⅞	1.00	American Waterworks	17	18⅛
22⅞	5	—	Anaconda Copper	14⅛	15¼
18⅝	5⅞	—	Atlas Corporation	11⅞	12½
84¼	31¼	2.00	Auburn Automobiles	45½	48
37⅞	8¼	—	Baltimore & Ohio	22⅞	24⅛
49½	10⅛	—	Bethlehem Steel	34	35⅝
37⅝	18	1.60	Borden Company	20⅞	21⅜
21⅝	5½	0.25	Borg Warner	18¾	19½
20⅞	7¼	—	Canadian Pacific Railway	12½	13
103½	30½	—	Case, J. I.	69¾	72½
47⅞	18⅞	1.40	Chase National Bank	19¾	19⅞
52⅛	14⅞	2.00	Chesapeake Corp.	34¼	35
52⅞	7¾	0.50	Chrysler Corp.	49	51⅛
28⅞	9	0.50	Columbia Gas & Electric	11¼	11⅞
6⅛	1⅜	—	Commonwealth & Southern	1⅝	1⅝
54⅛	36¾	3.00	Consolidated Gas of N. Y.	37	37¾
19⅝	4⅞	—	Continental Oil	17¾	18⅛
90⅝	45⅜	3.00	Corn Products	70¾	74
7½	2⅜	—	Coty Inc.	4	4
4⅝	1½	—	Curtiss Wright Company	2½	2⅝
18¼	10¼	0.75	Douglas Aircraft	14¼	15
89⅞	32¼	*2.00	Du Pont de Nemours	88½	91¾
89¾	46	3.00	Eastman Kodak	79	84½
41⅝	10	—	Electric Bond & Share	12¾	13⅝
15⅝	3½	—	Electric Power & Light	5¼	5½
19	12	—	Fox Film	Unq.	14¼
10¾	2⅞	—	General Aviation	Unq.	Unq.
80¼	10½	0.40	General Electric	19¾	20⅞
39⅞	21	1.80	General Foods	35½	36¼
85⅝	10	*1.00	General Motors	33	34⅛
49¼	13¼	1.00	General Railway Signal	29	30
27⅝	12	1.20	Gold Dust	17½	18½
47½	9¼	—	Goodyear Tire & Rubber	37¼	38⅝
40	6½	—	International Cement	30½	31⅝
46	13⅝	0.60	International Harvester	41¼	42¼
22¾	6¾	—	International Nickel	21⅜	22¼
21¾	5½	—	International Telephone & Telegraph	13	13½
60⅜	12¼	—	Johns Manville	56¾	61
26	7⅜	—	Kennecott	20⅝	21⅜
79⅜	37½	2.40	Lehman Corporating	Unq.	69¼
99⅜	49½	*4.00	Liggett & Myers, "B"	84¾	86¼
86½	8½	1.00	Loew's: Inc.	29	30⅝
25¼	10⅜	1.20	Lorillard P. Co. (Com.)	17⅛	17¾
47⅛	18	1.00	McIntyre Porcupine	40¼	41½
28⅞	8⅝	—	Montgomery Ward	22½	23⅞
64½	19½	1.00	National City Bank (bid price)	20¾	19½
41⅝	5⅝	—	National Distillers	27½	27⅞
58½	14	—	New York Central	35	36¼
36½	14	8% S	North American Company	14¾	15⅛
96⅜	31¼	2.00	Owens Illinois Glass	81	82¼
37⅞	16½	1.50	Pacific Gas & Electric	16⅜	17⅜
6⅞	1¾	—	Packard Motors	4	4⅛
42¼	18¾	0.50	Pennsylvania Railroad	27½	28¼
6⅜	1⅛	—	Pennroad Corporation	2¼	2⅜
18¾	4¾	—	Phillips Petroleum	15⅞	17
12½	3	—	Radio Corporation	6¾	7
5¾	1	—	Radio-Keith Orpheum	2⅛	2⅛
54¼	26½	3.00	Reynolds Tobacco "B"	46	47
47	12½	—	Sears Roebuck	42⅝	44¼
11⅝	4	—	Shell Union	8¼	8½
17	6	0.25	Socony-Vacuum Corp	16⅛	16⅜
28	14¼	2.00	Southern California Edison	15⅞	16
22½	5⅛	—	Standard Gas & Electric	8⅝	9
47	22¾	1.00	Standard Oil Co., of N. Jersey	46	46⅞
60¾	50	—	Sterling Products	55	55¼
9⅜	1½	—	Studebaker	4⅞	4⅞
30⅛	10⅜	1.00	Texas Corporation	28⅝	26⅛
45¼	15¼	1.00	Texas Gulf Sulphur	43⅞	44¼
9⅜	2⅝	—	Trans America	6¼	6⅜
51⅞	19⅜	1.00	Union Carbide & Carbon	46	48
132	61¼	6.00	Union Pacific	109	110⅜
46⅞	16½	—	United Aircraft & Trans.	32⅜	34
14½	4⅞	—	United Corporation	5	5⅛
25	14	1.20	United Gas Improvement	15	15¼
25	2⅞	—	U. S. Rubber	17	17⅜
67½	23⅝	—	U. S. Steel	45	46⅜
51½	21½	*2.00	Universal Leaf Tobacco	44	45
36¼	7⅝	—	Vanadium	20¼	21⅞
9⅛	1	—	Warner Bros. Pictures	5⅝	6¼
58¾	19⅜	—	Westinghouse E. & M.	38¼	40¼
50⅞	25½	2.40	Woolworth	40¾	41½

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